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A CBO STUDY

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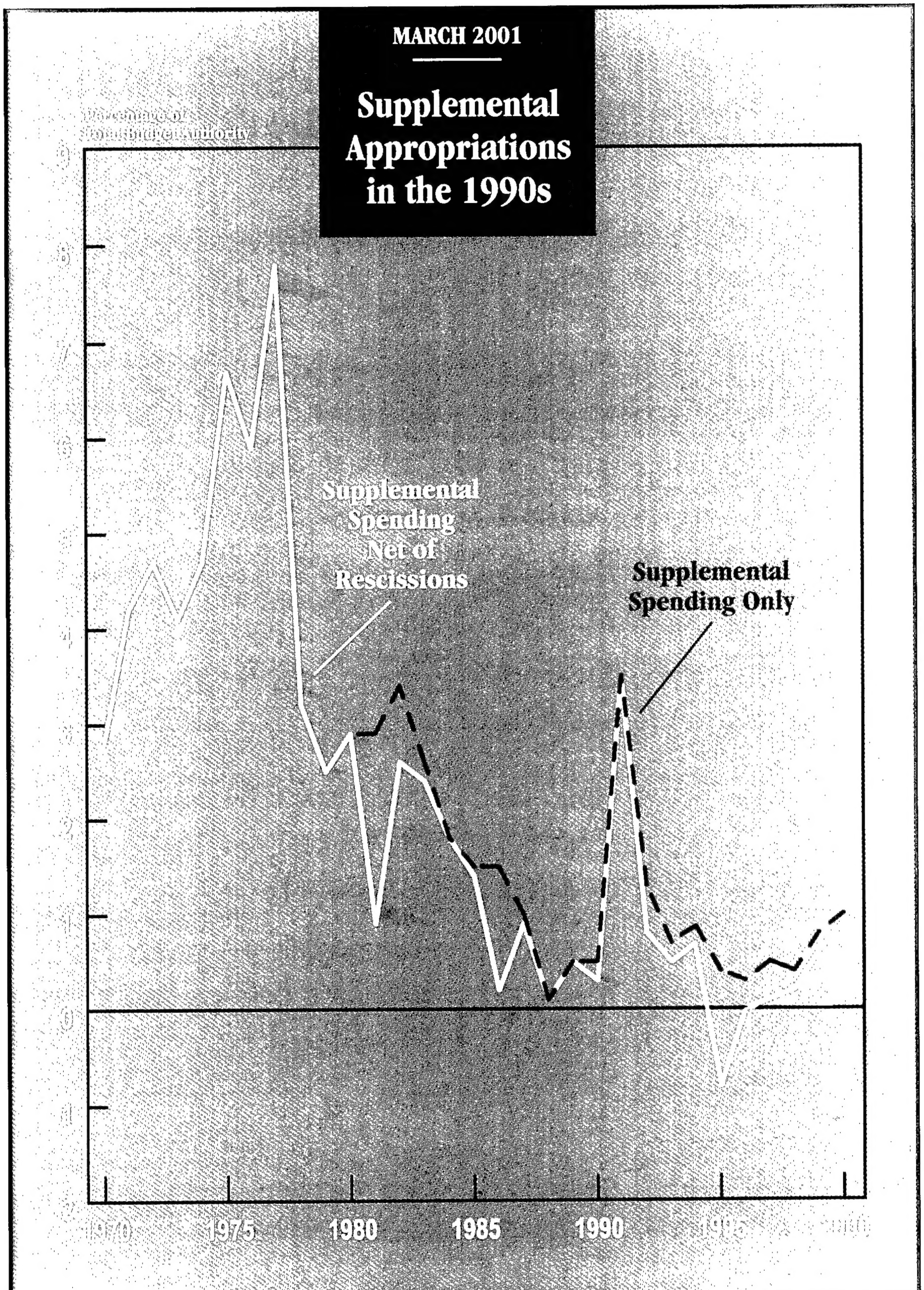
Supplemental Appropriations in the 1990s



SUPPLEMENTAL APPROPRIATIONS IN THE 1990s

The Congress of the United States
Congressional Budget Office

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NOTES

The data in this study cover fiscal years 1990 through 1999 (the period from October 1, 1989, through September 30, 1999). That period is referred to in the text as "the 1990s." In some cases, information about fiscal year 2000 (October 1, 1999, to September 30, 2000) is included when appropriate. Unless otherwise indicated, all years referred to in this study are fiscal years.

The report uses Congressional Budget Office scorekeeping data on supplemental appropriations and rescissions. Those data represent transfers between accounts as supplemental appropriations net of rescissions.

Numbers in the text and tables may not add up to totals because of rounding.

Preface

This Congressional Budget Office (CBO) study—prepared at the request of the Senate Committee on the Budget—describes the size and content of supplemental appropriation laws from fiscal year 1990 through 1999. It also examines the extent to which those supplemental appropriations were offset by rescissions. The study updates two previous CBO publications: *Supplemental Appropriations in the 1970s* (July 1981) and *Supplemental Appropriations in the 1980s* (February 1990). It incorporates information from those reports to show trends in supplemental appropriations over the past three decades.

Ellen Hays of CBO's Budget Analysis Division prepared the study under the supervision of Arlene Holen and Peter Fontaine. The author owes a tremendous debt to Priscilla Aycock, former chief of the Scorekeeping Unit in CBO's Budget Analysis Division, for her help in turning CBO's scorekeeping data into historical data. Janet Airis, Paul Burnham, Sandy Davis, Mark Musell, and Jennifer Smith of CBO provided helpful comments on drafts of this report, as did James L. Blum, former Deputy Director of CBO; Roy T. Meyers of the University of Maryland, Baltimore County; Robert Keith of the Congressional Research Service; and Philip Joyce of George Washington University.

Christian Spoor edited the study, and Christine Bogusz proofread it. Marion Curry typed the many drafts. Kathryn Quattrone prepared the study for publication, and Annette Kalicki prepared the electronic versions for CBO's Web site.

Dan L. Crippen
Director

March 2001

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Supplemental appropriations were smaller during most of the 1990s than in the previous two decades. (Such appropriations provide additional funding to a federal agency for a fiscal year already in progress.) Nevertheless, they were a cause of concern in a decade characterized by efforts to control federal spending and lower the budget deficit. In the eyes of its supporters, supplemental spending gives the Congress flexibility to respond to problems or priorities that may not have been anticipated during the regular cycle of annual appropriations. In the view of its detractors, supplemental spending allows lawmakers to circumvent budgetary enforcement mechanisms and to deliberately underfund programs in regular appropriation laws, which often have a higher profile than supplemental laws.

Amount of Supplemental Spending in the 1990s

The Congress and the President enacted 19 supplemental appropriation laws during the 1990s. Another 10 regular appropriation laws for the coming fiscal year also contained supplemental spending for the current year. In all, those 29 laws provided almost \$138 billion in supplemental appropriations in the 1990s (see Summary Table 1). Annual supplemental funding ranged from a high of \$48.6 billion in 1991 (most of it for the Persian Gulf War) to a low of \$4.5 billion in 1996.

Those gross funding levels were partly offset by rescissions (cancellations of budget authority that had been provided earlier but not yet spent), which lawmakers enacted in every year of the decade. Some of the rescissions were contained in supplemental appropriation laws and were explicitly intended to offset the new supplemental spending in those laws. Other rescissions were contained in seven regular appropriation laws and in one 1992 law composed entirely of rescissions. Lawmakers rescinded a total of nearly \$52 billion during the 1990s, ranging from a high of \$18.9 billion in 1995 to a low of \$0.3 billion in 1991.

Annual supplemental spending as a percentage of the total budget authority enacted for the year began declining in the late 1970s (see Summary Figure 1). With the exception of spending for the Persian Gulf War, that decline continued through much of the 1990s. For most of the decade, supplemental spending net of rescissions represented less than 1 percent of total budget authority, falling to a low of -0.8 percent in 1995 (when rescissions more than offset supplemental appropriations).

Many requests for supplemental appropriations or rescissions are transmitted by the President, although the Congress is also free to initiate them. The amounts of supplemental spending and rescissions enacted in the 1990s were both larger than the amounts requested by the President—slightly larger in the case of supplementals but almost three times as large in the case of rescissions.

Distribution of Supplemental Spending in the 1990s

Unlike the 1970s and 1980s, when supplemental appropriations were split more evenly between discretionary and mandatory programs, supplementals in the 1990s were overwhelmingly associated with discretionary spending (see Summary Figure 2). Spending for discretionary programs is determined by lawmakers each year through the appropriation process, whereas spending for mandatory programs is determined by rules—governing such things as eligibility requirements or payment levels—written into the laws that authorize the programs.

The agency that received the largest amount of supplemental spending in the 1990s was the Department of Defense. Supplementals to pay for Operations Desert Shield and Desert Storm in the Persian Gulf dominated supplemental spending in 1991 and 1992, although the United States eventually recouped the added costs of those operations through contributions from allied nations. Supplemental appropriations for defense did not figure prominently again until the end of the decade, with funding for peacekeeping missions in Bosnia and military operations in Kosovo.

Domestic discretionary supplementals enacted in response to natural disasters, such as hurricanes and earthquakes, rose steadily through the 1990s. Other supplemental appropriations responded to "nonnatural" disasters such as the Los Angeles riots in 1992 and the Oklahoma City bombing in 1995. As a result, the Federal Emergency Management Agency was the second-largest recipient of supplemental spending during the 1990s. Other agencies that received relatively large amounts of domestic discretionary supplemental appropriations were the Departments of Agriculture, Transportation, and Housing and Urban Development. In addition, a substantial fraction of the decade's discretionary supplemental

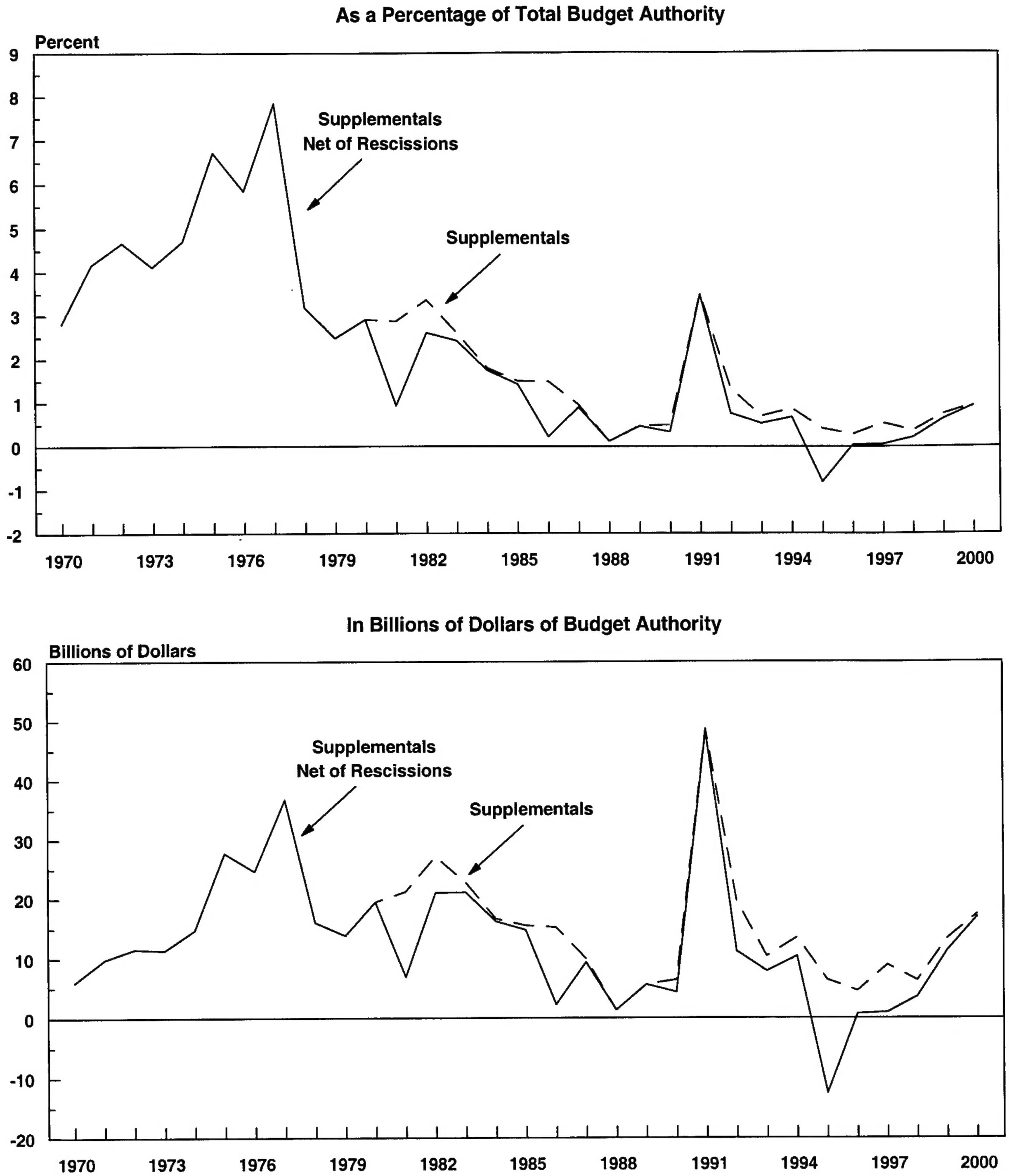
Summary Table 1.
Supplemental Appropriations Net of Rescissions, 1990-1999
(By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
Supplemental Appropriations											
Discretionary	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	129,280
Mandatory	2,078	2,509	1,138	515[a]	862	9	0	937	550	115	8,713
Total	6,374	48,612	19,662	10,359	13,517	6,416	4,512	8,897	6,277	13,367	137,993
Rescissions											
Discretionary	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-769	-50,726
Mandatory	0	0	0	0	0	0	0	0	0	-1,250	-1,250
Total	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-2,019	-51,976
Total Supplemental Appropriations Net of Rescissions	4,329	48,281	11,229	7,860	10,358	-12,524	668	917	3,551	11,348	86,017

SOURCE: Congressional Budget Office.

a. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

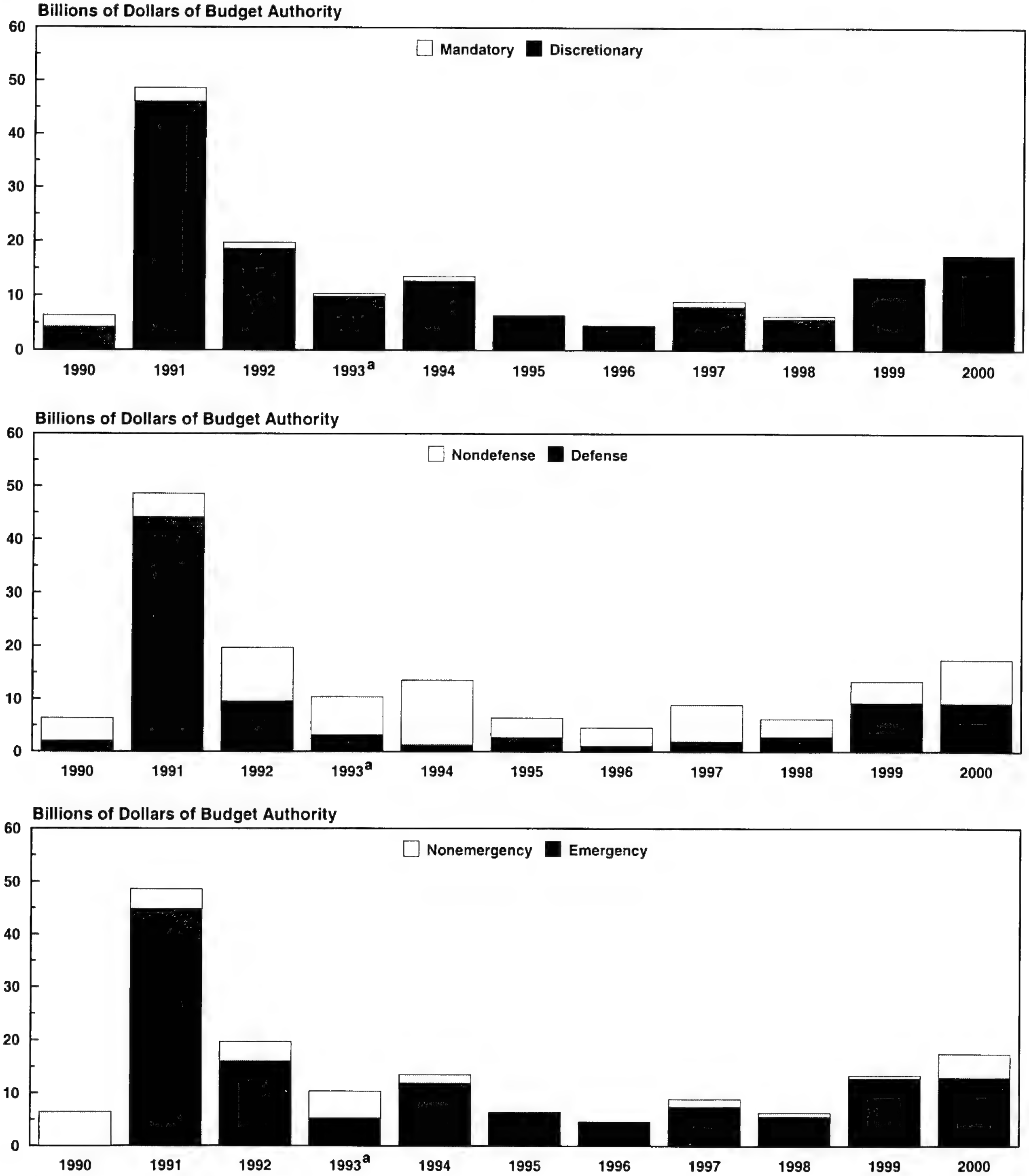
Summary Figure 1.
Supplemental Spending Gross and Net of Rescissions, 1970-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

NOTE: Data for 1970 through 1979 do not break down supplemental appropriations net of rescissions into supplementals and rescissions.

Summary Figure 2.
Supplemental Spending by Category, 1990-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

NOTE: Excludes rescissions.

a. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

spending went to foreign aid and other State Department programs.

Only 9 percent of the supplemental appropriations (net of rescissions) enacted in the 1990s were classified as mandatory. Such appropriations are necessary when circumstances, such as worse-than-projected economic conditions, require greater benefit payments by a mandatory program than the amounts assumed in its regular appropriation. During the 1990s, mandatory supplementals were provided mainly for the unemployment insurance trust fund, the Food Stamp program, and veterans' compensation programs.

Several types of supplemental appropriations that had been common in the 1970s and 1980s faded away during the 1990s: supplementals for pay raises for federal employees, and supplementals enacted when the legislation authorizing a program came too late for the program to be included in regular appropriations. Changes in budgetary policies for federal agencies and in Congressional practices caused those types of supplemental spending to disappear in the 1990s, although unauthorized appropriations continued to occur.

Areas of Concern: Emergency Spending and the Effectiveness of Rescissions as Offsets

All but the first year of the past decade was governed by the Budget Enforcement Act of 1990 (BEA). That legislation attempted to limit discretionary spending by setting fixed caps on it—although the caps could be raised by the amount of any spending that the Congress and the President designated as an emergency. If spending breached one of the caps, it would trigger an across-the-board cut, or sequestration, in that category of spending.

Between 1991—when the BEA took effect—and 1999, the Congress and the President enacted over $76 billion in discretionary supplemental appropriations (net of rescissions). However, only once during that period was there a breach of the discretionary spending caps that triggered a sequestration. The availability of the BEA's emergency designation may have encouraged that additional spending. Indeed, almost 92 percent of the discretionary supplemental appropriations enacted during that period were designated as emergency spending.

Moreover, the use of the emergency designation expanded at the end of the decade. Until 1999, that designation was generally confined to supplemental spending, with few regular appropriations classified as emergencies. But in 1999, more than $21 billion provided in regular appropriation acts was designated as emergency spending. In 2000, that figure rose to $31 billion.

The Congress and the President have traditionally sought to offset new supplemental funding by rescinding equal amounts of unspent funding in other areas of the budget. Throughout the 1990s, such offsets were required for any new supplemental spending that was not designated as an emergency (and encouraged for any emergency supplemental). On paper, rescissions greatly reduced the budgetary impact of discretionary supplemental appropriations, particularly in the late 1990s, though only in 1995 did they equal or exceed new supplemental appropriations.

In practice, however, the extent to which those rescissions truly offset the accompanying supplemental spending is open to question. The answer depends on the rate at which the rescinded funds would have been spent. If a new supplemental appropriation will be entirely spent over five years but only half of the rescinded funds that are supposed to offset it would have been spent in that period, the net effect will be an increase in outlays.

Data about the estimated spending rates of amounts rescinded in the 1990s are limited. Nevertheless, they suggest that since 1992, in only two years (1995 and 1996) did the rescissions explicitly intended to offset supplemental appropriations fully offset them when measured over a five-year period. For the other years since 1992, those rescissions did not produce high enough outlay savings over five years to fully offset the supplemental spending with which they were linked.

Supplemental Appropriations for 2000

This study focuses on the 1990s, but while it was being written supplemental appropriations were enacted for fiscal year 2000. Two laws contained that supplemental spending: the regular appropriation acts funding military construction and defense programs for 2001 (Public Laws 106-246 and 106-259). Together, those laws provided just under $17 billion in supplemental appropriations for 2000, of which $12.9 billion was designated as emergency spending. The vast majority of the supplemental spending was discretionary; it was split almost evenly between defense and domestic programs. In addition, the two laws included $470 million in rescissions, primarily of unspent defense funding.

Supplemental Appropriations in the 1990s

Supplemental appropriations provide additional funding to a government program for the fiscal year already in progress, over and above the funding provided in regular appropriation laws. Most appropriations take the form of budget authority, which authorizes a program to spend a given amount of money from the Treasury. The actual spending of that money—known as outlays—may occur over a longer period than the year for which the appropriations are made.

A Brief History of Supplemental Appropriations

Supplemental appropriations have been used to finance federal spending since the second session of the first Congress in 1790.[1] Although they varied in name and format, such supplementals were common by the early 1800s. They frequently included spending for items authorized after the regular appropriation was enacted as well as, in some cases, spending for programs that had already obligated more funds than had been appropriated. Before the Civil War, some efforts were made to give agencies the authority to transfer funds to cover their own deficiencies. Despite those efforts, "deficiency" appropriations became so routine that two bills—the "urgent deficiency" and "general deficiency" bills—were considered regular appropriation bills under the jurisdiction of the House Committee on Appropriations.

Attempts to Control Supplemental Spending

The routine use of deficiency appropriations raised a number of management and control issues. Those issues were noted as early as the 1870s, when the Congress passed antideficiency laws prohibiting agencies from spending more in a fiscal year than their appropriations for that year. Some Members of Congress believed that the guaranteed funding mechanism provided by deficiency appropriations encouraged the Congress to underestimate funding needs in regular appropriation bills and then "after the elections are over, make up the necessary amounts by deficiency bills," complained James Garfield, Chairman of the House Appropriations Committee and future President, in 1879.[2]

Further efforts to control deficiency spending were not evident until the Antideficiency Act of 1905. That law gave the Treasury Department the task of periodically apportioning the funds appropriated to federal agencies. To reduce the need for deficiency supplementals at the end of the year, appor-

1. This section is excerpted from the detailed history of supplemental appropriations that appears in Congressional Budget Office, *Supplemental Appropriations in the 1980s* (February 1990).

2. Ibid., p. 2.

tionment allows an agency to spend ("obligate") its appropriated funds only at a certain, predetermined rate. By most accounts, the apportionment process was largely successful in eliminating the need for that type of supplemental appropriations.

The Budget and Accounting Act of 1921 further centralized the budgetary powers of the executive branch and created the Bureau of the Budget, to which the apportionment function was transferred. That legislation instructed the President (via the Bureau of the Budget) to submit to the Congress only those requests for supplemental and deficiency appropriations that "in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) that are otherwise in the public interest. He shall accompany such estimates with a statement of the reasons therefor, including the reasons for their omission from the Budget."[3]

To further curtail the use of supplementals, the Antideficiency Act was rewritten in 1950 to encourage agencies to set aside reserves for unanticipated expenses. The revised law sanctioned supplemental appropriations only for legislation enacted after the President's budget was submitted, as well as for emergencies related to the preservation of human life and property.

The Congress does not need to wait for a request from the executive branch to consider supplemental spending. Over the years, it has initiated many supplementals itself. Those supplemental appropriations have been seen as problematic as well: the 1966 Joint Commission on the Organization of Congress stated that it was misleading for lawmakers to project an image of economy by passing smaller appropriations with the knowledge that they would later pass supplemental funding. The commission strongly cautioned against passing supplemental appropriations without a compelling need to do so and recommended that Appropriations Committee reports require extensive justification of why supplemental requests could not have been either foreseen or postponed until the next round of regular appropriations.

Enactment of the Congressional Budget and Impoundment Control Act of 1974 provided the Congress with a comprehensive process for considering budgetary matters through the use of budget resolutions. The budget resolution is intended to set overall spending levels for the coming year—allocating mandatory spending among the various authorizing committees and discretionary spending to the House and Senate Appropriations Committees.[4] The law required, for the first time, that expected supplementals be incorporated in the President's annual budget request and that that request include an allowance for anticipated supplemental spending.

In general, the Congress has tried to mitigate the effects of supplemental spending by combining it with offsetting rescissions, which cancel budget authority that was provided in earlier appropriation laws but has not yet been obligated. The budgetary effects of those cancellations are typically netted against the budgetary effects of new supplemental budget authority, especially when the rescissions are enacted as part of a supplemental appropriation law.

The Balanced Budget and Emergency Deficit Control Act of 1985 set fixed targets for the deficit, which were enforced with a regimen of automatic spending cuts known as sequestration. If budget legislation for a given year caused the deficit target to be exceeded, the Deficit Control Act required the President to order a sequestration of funds. In response to that new requirement, the Office of Management and Budget (OMB) ordered agencies to propose current-year budget cuts to offset all requests for discretionary supplementals—unless the agency could provide a "fully justified explanation" of why it could not do so.

Two budget "summit" agreements between the President and the Congress served to further tighten the rules governing supplemental spending. In 1987 and 1989, Presidents Reagan and then Bush negotiated agreements with the Congress to set limits on total appropriations. The negotiators were concerned that the Congress would exceed those limits through supplemental appropriation acts. The 1987 agreement stipulated that neither the Congress nor the President would initiate supplementals except in the

3. 31 U.S.C. 1107; 42 Stat. 21, sec. 203(a).

4. Mandatory spending is for programs, such as Medicare and Food Stamps, in which the amounts to be spent are determined by rules in the programs' authorizing legislation rather than being decided in the annual appropriation process, as with discretionary programs.

case of dire emergency. As a consequence, OMB issued instructions to federal agencies that "no supplemental . . . [would] be requested for 1988 and 1989 except in dire emergencies."[5] The President and the Congress further agreed that neither the executive nor the legislative branch would require offsetting rescissions for supplementals that were enacted in response to such emergencies. In the talks leading up to the 1989 budget summit, negotiators considered a proposal to require the President to submit spending cuts to offset *all* discretionary supplementals—including dire emergencies. But negotiators reverted to the 1987 language, fearing the absence of some sort of "safety valve" in case of emergency.

Those two budget summits set the stage for talks that led to enactment of the Budget Enforcement Act of 1990 (described in more detail below). That legislation retained the concept of annual limits on discretionary spending, but unlike the 1987 and 1989 agreements, it wrote those limits into law.

Trends in Supplemental Spending in the 1970s

During the 1970s, supplemental spending (net of rescissions) ranged from less than 3 percent to almost 8 percent of the total budget authority enacted for a given year (see Figure 1). The highest levels occurred in 1975 and 1977 in response to the 1973-1975 recession. Most of that supplemental spending was categorized as mandatory and involved extending unemployment benefits and increasing Food Stamp funding. Supplemental appropriations in response to the recession were also provided for discretionary programs, most notably $9.5 billion enacted in 1977 for public service employment programs under the Comprehensive Employment and Training Act.

Most of the other supplementals in the 1970s fell into three categories: pay supplementals (to cover the costs of federal pay raises, whose amounts were not known at the time regular appropriations were enacted); supplementals provided for programs whose authorizations or reauthorizations were delayed beyond the enactment of regular appropriations; and supplementals in response to unforeseen events, such as the Northeast blizzard of 1978, floods, droughts, and forest fires, as well as such nonemergency circumstances as excess construction costs.

Trends in Supplemental Spending in the 1980s

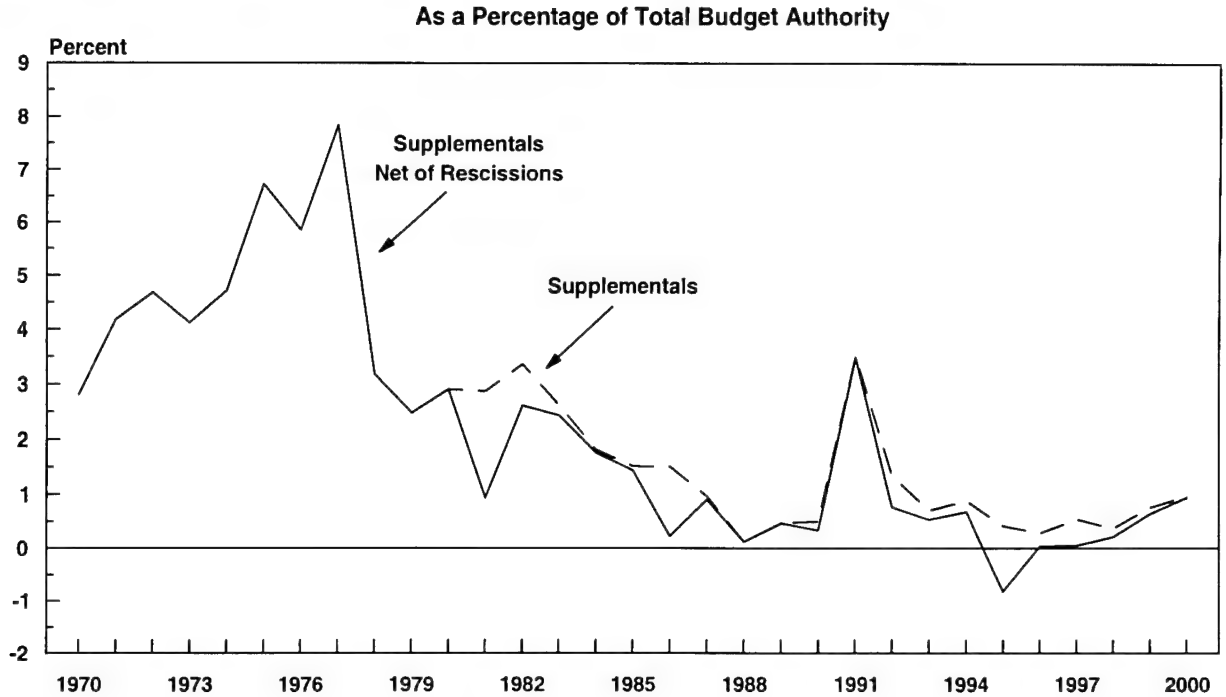
Supplemental appropriations declined during much of the 1980s, both in dollars and as a percentage of total annual budget authority (see Figure 1). Net of rescissions, supplemental spending ranged from a high of 2.9 percent of budget authority ($19.5 billion) in 1980 to a low of 0.1 percent of budget authority ($1.3 billion) in 1988.

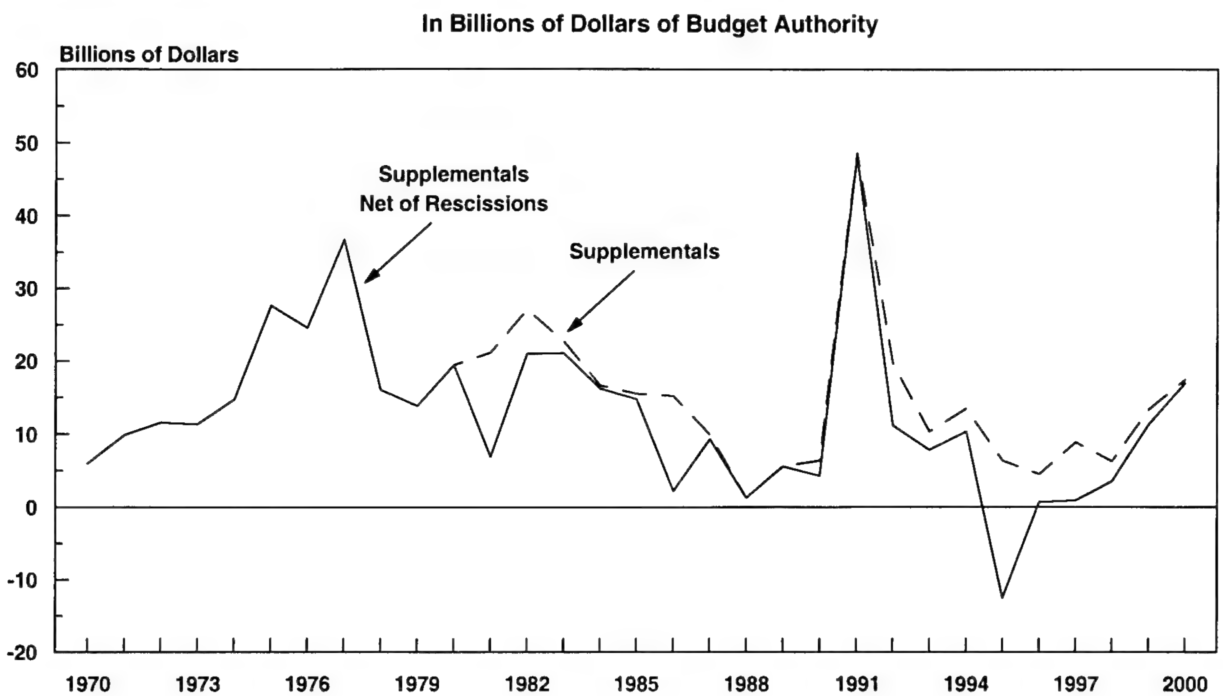
Two changes in the budget process that were mentioned above constrained supplemental spending during that decade. First, the practice of requiring rescissions to offset supplemental spending began in the mid-1980s after passage of the Deficit Control Act. In general, supplemental appropriation laws contained many more rescissions and transfers in the 1980s than they did in the 1970s. Second, the parties to the 1987 budget summit agreed that supplementals would not be considered except in cases of dire emergency. The dip in supplemental spending in 1988 may reflect that prohibition. The slight increase in 1989 resulted from spending for disaster relief in the wake of Hurricane Hugo in September 1989, which was designated a dire emergency.

Two-thirds of the supplemental budget authority (net of rescissions) enacted during the 1980s went to mandatory programs. The bulk of that spending consisted of more than $37 billion in appropriations for the Commodity Credit Corporation for farm commodity programs, following worse-than-expected conditions in the markets for farm commodities. The Congress also provided supplemental appropriations for the Food Stamp program, unemployment insurance, and various higher-education programs because of unexpected gaps between projected and actual economic conditions. Supplemental spending for discretionary programs included funding for pay raises for federal civilian workers, as well as spending for defense procurement and foreign aid.

5. Office of Management and Budget, *Preparation and Submission of Budget Estimates,* Circular A-11 (July 1986).

Figure 1.
Supplemental Spending Gross and Net of Rescissions, 1970-2000 (By fiscal year)





SOURCE: Congressional Budget Office.

NOTE: Data for 1970 through 1979 do not break down supplemental appropriations net of rescissions into supplementals and rescissions.

The Budget Enforcement Act of 1990

For virtually all of the 1990s, appropriations were governed by the provisions of the Budget Enforcement Act of 1990 (BEA), which the Congress and the President adopted in November 1990 as part of a multiyear budget agreement. The BEA established statutory limits on discretionary spending coupled with a "pay-as-you-go" (PAYGO) requirement designed to ensure that new legislation affecting mandatory spending or tax revenues was deficit-neutral. The discretionary spending limits applied to both budget authority and outlays.

Unlike the limits on appropriations negotiated in 1987 and 1989, which were enforced through the Congressional budget process, the BEA caps are enforced with a statutory mechanism: sequestration (which had been established by the 1985 Deficit Control Act to enforce targets for the overall budget deficit). When it was first enacted, the BEA set caps on three categories of discretionary spending: defense spending, international affairs spending, and domestic spending. (Since then, some categories have been consolidated and others added.) If the discretionary appropriations enacted for a given year cause any of the caps to be exceeded, the President must order a sequestration of funds in the category of spending in which the breach occurs.

The timing of the sequestration order under the BEA depends on the timing and nature of the spending. The Director of OMB is required to issue a final sequestration report within 15 days after the end of a session of Congress. If the report identifies a violation of one or more of the spending limits, the President must immediately issue a sequestration order to remedy the violation. On November 9, 1990 (five days after enactment of the BEA), President Bush issued the first sequestration order under the new legislation. It was intended to close a breach of $395 million in international discretionary spending that had been identified as the Congress wrapped up appropriations for 1991. However, that breach was later determined to have resulted from a drafting error in appropriation language. A supplemental appropriation law enacted in the following session corrected the error, rescinded the November 9 sequestration order, and restored the sequestered funds.

For supplemental appropriations, the BEA specifies that if any enacted *before* July 1 cause a breach in one of the discretionary caps, a sequestration must occur 15 days after enactment. Twelve of the 19 supplemental laws in the 1990s were enacted prior to July 1. One of those—Public Law 102-27, enacted on April 10, 1991—was determined to exceed the domestic discretionary cap then in place by $2.4 million. That determination triggered a sequestration of 0.0013 percent of budget authority in each nonexempt account in the domestic discretionary category on April 25, 1991.

The BEA also specifies that if supplemental appropriations enacted *after* July 1 breach a discretionary spending cap, the relevant cap for the coming fiscal year will be reduced by the amount of the previous year's breach. Seven of the decade's supplementals were enacted after July 1, but OMB determined that none of them breached the spending caps then in place. Likewise, all of the decade's regular appropriation laws containing supplemental spending and rescissions (except in 1996) were enacted after July 1, and none were determined to breach the relevant spending caps. Supplemental spending for 2000 (in regular appropriation acts for 2001) exceeded the budget authority caps for that year by $2.4 billion and the outlay caps by $6.8 billion, which under the BEA would have reduced the 2001 caps by those amounts. However, a provision in the Military Construction Appropriations Act for 2001 precluded such a reduction.

The BEA's discretionary spending caps and PAYGO requirement have been extended twice since 1990—most recently as part of the Balanced Budget Act of 1997. They are now technically in effect through 2002. President Clinton's budget request for 2001 proposed extending the mechanisms through 2010, while raising the discretionary spending caps to "reflect the cost of maintaining the operation of the Federal Government at currently enacted levels into the future."[6] The Congressional budget resolution for 2001 assumed levels of discretionary spending well

6. *Budget of the United States Government, Fiscal Year 2001: Analytical Perspectives*, p. 286.

above the BEA caps for that year, and the Senate included language in the budget resolution (section 206) urging that the 2001 caps be raised at the earliest possible time.

Section 701 of the Foreign Operations Appropriations Act for 2001 raised both the budget authority and outlay caps for 2001, thus eliminating the need for a sequestration of funds in 2001. The 2002 caps were not raised, however, nor did the 106th Congress extend the overall discretionary caps past 2002.

The Budget Enforcement Act was in effect for nine of the 10 fiscal years of the 1990s. During that nine-year period, more than $76 billion in discretionary supplemental spending (net of rescissions) was enacted. Notably, only once during that time did enacted supplemental spending actually result in a sequestration, and that one was a tiny cut of just 0.0013 percent. Many observers suspect that the fact that the BEA allows the caps to be raised by the amount of any spending designated as "emergency" funding encouraged those supplementals. (That notion is discussed later in this report.)

Consideration of Supplementals and Rescissions in the 1990s

The Congress and the President enacted 34 laws containing supplemental appropriations or rescissions during the 1990s. Those laws provided a total of almost $138 billion in supplemental spending—the vast majority for discretionary programs—and just under $52 billion in rescissions. Both of those amounts were greater than the amounts initially requested by the President—substantially greater in the case of rescissions.

As a percentage of the total budget authority enacted each year, supplemental appropriations continued along the largely downward path begun in the late 1970s. The major exception to the decade's downward trend occurred in 1991 and 1992 with supplemental funding for the Persian Gulf War. In addition, the purpose of supplemental appropriations shifted during the 1990s. Supplementals for federal pay raises and for programs with late authorizations dwindled, whereas supplementals to provide relief after natural disasters rose significantly.

Rules Governing Supplemental Appropriations

OMB's current guidance on the subject of supplementals remains similar to what it offered throughout the late 1980s: that agencies "should make every effort to postpone actions that require supplemental appropriations. However, submit proposals that decrease or eliminate amounts whenever such changes are warranted. When requesting supplementals and amendments that increase the amounts contained in the budget, provide proposals for reductions elsewhere in the agency (e.g., rescission proposals)."[7]

OMB further states that it will consider requests by agencies for supplementals only when:

- Existing law requires payments within the fiscal year (such as for pensions and entitlements);
- An unforseen emergency occurs (such as a natural disaster requiring expenditures for the preservation of life or property);
- New legislation enacted after the submission of the annual budget requires additional funding within the fiscal year;
- An increased workload is uncontrollable except by statutory change; or
- Liability accrues under the law and it is in the government's interest to liquidate the liability as soon as possible (such as with claims on which interest is payable).

OMB defines supplementals as appropriation requests that are transmitted to the Congress after action on an annual appropriation bill has been completed by the Appropriations Committees of both Houses. Those requests may be made by the Presi-

7. Office of Management and Budget, *Preparation and Submission of Budget Estimates*, Circular A-11 (July 2000), pp. 401-402.

dent either before or after transmittal of the following year's budget proposal.

Requests for emergency supplementals may be transmitted at any time during the fiscal year. Ordinarily, the President requests nonemergency supplementals for the current year in conjunction with the budget proposal for the coming year. Later supplemental requests, as well as amendments to the original budget proposal, are typically submitted in Presidential communications as the year progresses. (Amendments are proposed actions that revise the President's budget request and are transmitted before both Appropriations Committees complete action on the budget.)

The Congress follows the guidelines of the annual budget resolution—which is generally predicated on the BEA's caps on discretionary spending—as it considers requests for discretionary supplementals. The budget resolution divides the desired spending levels for the coming year into categories known as budget functions. Function 920 (allowances) was originally intended to contain an amount of spending set aside for anticipated supplementals, referred to as allowances for "additional estimated expenditures" and "unanticipated uncontrollable expenditures."[8] Although budget function 920 has sometimes been used to report future pay raises for federal civilian employees and other contingencies, in practice it is more often used to capture expected—but not yet enacted—administrative savings.

Instead of using budget function 920, the Budget Committees sometimes revise the current year's budget resolution as they formulate a resolution for the next year (as permitted under section 304 of the 1974 Congressional Budget Act). On several occasions, those revisions have accommodated new supplemental spending. For example, the budget resolution approved for 2001 included an adjustment to the 2000 totals to allow for the enactment of the Emergency Supplemental Appropriations Act for 2000 that was then under consideration.[9]

In theory, if a supplemental under consideration by either House would exceed the amount allocated to the applicable budget function under the budget resolution, the supplemental is subject to a point of order.[10] In practice, however, such points of order have generally not been raised. In some cases, supplemental appropriations have been protected with waivers of the points of order in both the House and the Senate.

Unlike regular appropriation bills, which are under the jurisdiction of a single appropriations subcommittee in the House and the Senate, supplementals may include items under the jurisdiction of many subcommittees, with varying purposes and levels of urgency. In considering supplementals, appropriators must grapple with issues of grouping disparate items, considering emergency and nonemergency items together, and determining when requests form enough of a "critical mass" to warrant going forward with a supplemental appropriation bill.

Number of Laws Enacted

The Congress and the President enacted 19 supplemental appropriation laws during the 1990s. Except for 1996, each fiscal year of the decade saw the enactment of at least one omnibus supplemental, which (after 1990) usually consisted of a mix of emergency and nonemergency spending as well as rescissions intended to offset the nonemergency supplementals. Those omnibus laws were usually enacted in the spring or summer as a follow-up to regular appropriations. On 14 other occasions during the 1990s, supplemental appropriations or rescissions for a current fiscal year were enacted as part of regular appropriations, either in separate appropriation laws or in part- or full-year continuing resolutions (see Table 1). An additional law, in 1992, provided only rescissions.

8. As originally enacted, the Congressional Budget and Impoundment Control Act of 1974 provided for a nonbinding budget resolution to be passed in May, followed by a second, binding resolution in September. The second budget resolution would have included new 920 allowances for any anticipated supplementals that arose between May and the end of the fiscal year. In 1985, the law was amended to delete the requirement for a second budget resolution.

9. U.S. House of Representatives, *Concurrent Resolution on the Budget for Fiscal Year 2001*, conference report, Report 106-577 (April 12, 2000), pp. 39-40.

10. In a point of order, a Member raises an objection to a bill on the grounds that it violates House or Senate rules. That objection prevents the bill from being considered unless Members vote to waive the point of order.

Table 1.
Laws in the 1990s That Provided Supplemental Appropriations or Rescissions (By fiscal year)

Bill Number	Public Law Number	Informal Title	Date Enacted	Budget Authority (Millions of dollars) Supplemental Appropriations	Rescissions	Supplemental Appropriations Net of Rescissions
		1990				
H.R. 404	101-302	Dire Emergency Supplemental Appropriations, 1990	5/25/90	4,336	-2,045	2,291
H.J. Res. 655	101-403	Desert Shield Supplemental Appropriations	10/01/90	2,038	0	2,038
		1991				
H.R. 1281	102-27[a]	Dire Emergency Supplemental Appropriations, 1991	4/10/91	5,255	-323	4,932
H.R. 1282	102-28	1991 Desert Shield Supplemental Appropriations	4/10/91	42,626	0	42,626
H.R. 2251	102-55	1991 Dire Emergency Supplemental for Iraqi Refugees	6/13/91	581	-8	573
		1992				
H.J. Res. 157	102-229	1992 Disaster Relief and Desert Storm Emergency Supplemental	12/12/91	6,849	0	6,849
H.R. 4990	102-298	1992 Rescissions	6/04/92	0	-8,160	-8,160
H.R. 5132	102-302	1992 Emergency Disaster Assistance for Los Angeles and Chicago	6/22/92	1,191	-8	1,183
H.R. 5620	102-368	1992 Supplemental (Hurricanes Andrew, Iniki, Omar)	9/23/92	12,775	-265	12,510
		1993				
H.R. 1335	103-24[b]	1993 Stimulus Supplemental	4/23/93	0	0	0
H.R. 2118	103-50	1993 Spring Supplemental	7/2/93	3,499	-2,499	1,000
H.R. 2667	103-75	1993 Emergency for Midwest Flood Relief	8/12/93	4,411	0	4,411
H.R. 2295	103-87	1994 Foreign Assistance Appropriations	9/30/93	1,609	0	1,609
		1994				
H.R. 3759	103-211	1994 Emergency Supplemental (Los Angeles earthquake)	2/12/94	11,535	-3,157	8,378
H.R. 4568	103-275	1994 FHA Supplemental	7/5/94	*	0	*
H.R. 4454	103-283	1995 Legislative Branch Appropriations	7/22/94	0	-23	-23
H.R. 4426	103-306	1995 Foreign Assistance Appropriations	8/23/94	149	0	149
H.R. 4603	103-317	1995 Commerce, Justice, State Appropriations	8/26/94	1,240	0	1,240
H.R. 4624	103-327	1995 VA-HUD Appropriations	9/28/94	357	-2	355
H.R. 4554	103-330	1995 Agriculture Appropriations	9/30/94	33	0	33
H.R. 4650	103-335	1995 Defense Appropriations	9/30/94	299	0	299
		1995				
H.R. 889	104-6	1995 Emergency Supplemental and Rescissions for Defense Readiness	4/10/95	2,318	-3,331	-1,013
H.R. 1944	104-19	1995 Emergency Supplemental and Rescissions for Antiterrorism and Oklahoma City Disaster	7/27/95	7,453	-15,992	-8,539

(Continued)

**Table 1.
Continued**

Bill Number	Public Law Number	Informal Title	Date Enacted	Budget Authority (Millions of dollars) Supplemental Appropriations	Rescissions	Supplemental Appropriations Net of Rescissions
		1996				
H.R. 1817	104-32	1996 Military Construction Appropriations	10/3/95	0	-40	-40
H.R. 2492	104-53	1996 Legislative Branch Appropriations	11/19/95	0	-64	-64
H.R. 2126	104-61	1996 Defense Appropriations	12/1/95	0	-563	-563
H.J. Res. 170	104-122	Twelfth Continuing Resolution for 1996	3/29/96	198	0	198
H.R. 3019	104-134	Omnibus Consolidated Appropriations and Rescissions Act, 1996	4/26/96	555	-2,644	-2,089
H.R. 3603	104-180	1997 Agriculture Appropriations	8/6/96	27	0	27
H.R. 3610	104-208	Omnibus Consolidated Appropriations Act, 1997	9/30/96	123	-127	-4
		1997				
H.R. 1871	105-18	1997 Supplemental for Disasters and Peacekeeping Efforts in Bosnia	6/12/97	9,163	-7,980	1,183
		1998				
H.R. 3579	105-174	Emergency Supplemental Appropriations and Rescissions, 1998	5/1/98	6,006	-2,726	3,280
		1999				
H.R. 1141	106-31	Emergency Supplemental Appropriations and Rescissions, 1999	5/21/99	13,097	-1,749[c]	11,348
H.R. 1664	106-51	Emergency Steel and Emergency Oil and Gas Guaranteed Loan Act, 1999	8/17/99	270	-270	0
		Total Decade				
Total				137,993	-51,976	86,017

SOURCE: Congressional Budget Office.

NOTE: H.R. = House of Representatives; H.J. Res. = House joint resolution; FHA = Federal Housing Administration; VA = Department of Veterans Affairs; HUD = Department of Housing and Urban Development.

* = less than $500,000.

a. Triggered a sequestration.

b. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

c. Includes a 1999 rescission of $1.25 billion in mandatory budget authority for the Food Stamp program.

Budgetary Impact

Supplemental funding in the 1990s ranged from a low of $4.5 billion in 1996 to a high of $48.6 billion in 1991—most of which went to pay for Operations Desert Storm and Desert Shield and was ultimately offset by contributions from other nations. Setting aside 1991 and 1992 funding for those Persian Gulf operations, supplemental spending as a percentage of budget authority remained relatively low through the 1990s (see Figure 1 on page 4).

The enactment of rescissions reduced the net effect of that supplemental spending to some extent —most notably in 1995, when $18.9 billion in budget authority was rescinded. In that year, enacted rescissions not only offset supplemental spending but caused a net decrease in budget authority of $12.5 billion.

Most enacted rescissions were included as offsets in supplemental appropriation acts and were explicitly intended to offset the new spending. (The extent to which they actually did so is examined later in this study.) Other rescissions were included in full-year regular appropriation acts or continuing resolutions. One law enacted during the decade (Public Law 102-298 from June 1992) provided only rescissions, in the amount of $8 billion.

Requested Versus Enacted Amounts

In the 1990s, Presidents Bush and Clinton proposed roughly $132 billion in supplemental funding—$128 billion for discretionary programs and $4 billion for mandatory programs (see Table 2). During that period, the Congress and the President enacted about $6 billion more in supplemental spending than re-

Table 2.
Supplemental Appropriations and Rescissions Requested by the President Versus Those Enacted, 1990-1999 (By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
					Supplemental Appropriations						
Discretionary											
Requested	2,169	33,630	11,488	18,416	13,879	9,796	3,158	2,188	22,301	10,860	127,885
Enacted	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	129,280
Mandatory											
Requested	441	0	738	575 [a]	862	9	0	757	550	0	3,932
Enacted	2,078	2,509	1,138	515 [a]	862	9	0	937	550	115	8,713
Total											
Requested	2,610	33,630	12,226	18,991	14,741	9,805	3,158	2,945	22,851	10,860	131,817
Enacted	6,374	48,612	19,662	10,359	13,517	6,416	4,512	8,897	6,277	13,367	137,993
					Rescissions						
Requested	-227	-3,511	-7,881	-356	-3,141	-1,295	-1,053	-439	-43	-23	-17,969
Enacted[b]	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-2,019	-51,976

SOURCE: Congressional Budget Office.

a. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

b. Includes one unrequested mandatory rescission: $1.25 billion for the Food Stamp program in 1999.

quested—for a total of $129 billion for discretionary programs and just under $9 billion for mandatory programs.

Tracking the fate of each individual request for supplemental spending over the decade is beyond the scope of this analysis. In some cases, the Congress accepted the President's exact proposals, and in other cases it increased or decreased the amounts requested. Some of the President's proposals were not considered, and others were considered and rejected. In some years, the Congress also initiated new supplementals.

The Congress is likewise free to accept or reject Presidential proposals to rescind budget authority, which typically accompanied nonemergency requests for supplemental spending. In many cases throughout the 1990s, the Congress initiated rescissions in addition to or in place of those proposed by the President. Presidents Bush and Clinton proposed roughly $18 billion worth of rescissions over the decade. But in every year except 1991, the Congress exceeded the requested levels, enacting a total of $52 billion in rescissions during the 1990s (see Table 2 and Figure 2). Nearly all of those rescissions were of discretionary budget authority.

Changes in Purpose Since the 1970s and 1980s

Although pay supplementals were routine throughout the 1970s and 1980s, they were virtually nonexistent during the 1990s.[11] In the earlier decades, the Congress had relied on supplemental appropriations to fund the costs of annual civilian pay raises. Those pay raises were determined by a comparability process whose outcome was often delayed beyond the consideration of regular appropriation bills. Thus, supplementals were necessary to provide the pay raises after the final levels had been determined. Gradually, however, agencies were required to absorb greater portions of their pay raises, and pay supplementals became smaller. Throughout the 1990s, the Congress and OMB required that agencies absorb the full amounts of all civilian pay raises, thereby eliminating the need for supplemental appropriations for pay.

Supplementals enacted because of late authorizations of programs also disappeared in the 1990s. In the 1970s and 1980s, House and Senate rules generally required that discretionary programs (and some appropriated entitlement programs) have a current authorization in order to receive funding in the appropriation process for the coming fiscal year. Programs with expired authorizations were dropped from consideration, to be taken up later in the budget cycle as supplemental appropriations if they were reauthorized. Unlike the annual and fairly predictable pay supplementals, supplementals for reauthorized programs varied widely from year to year, depending on the ability of authorizing committees to finish work on and pass reauthorization bills before the deadlines for inclusion in appropriations.

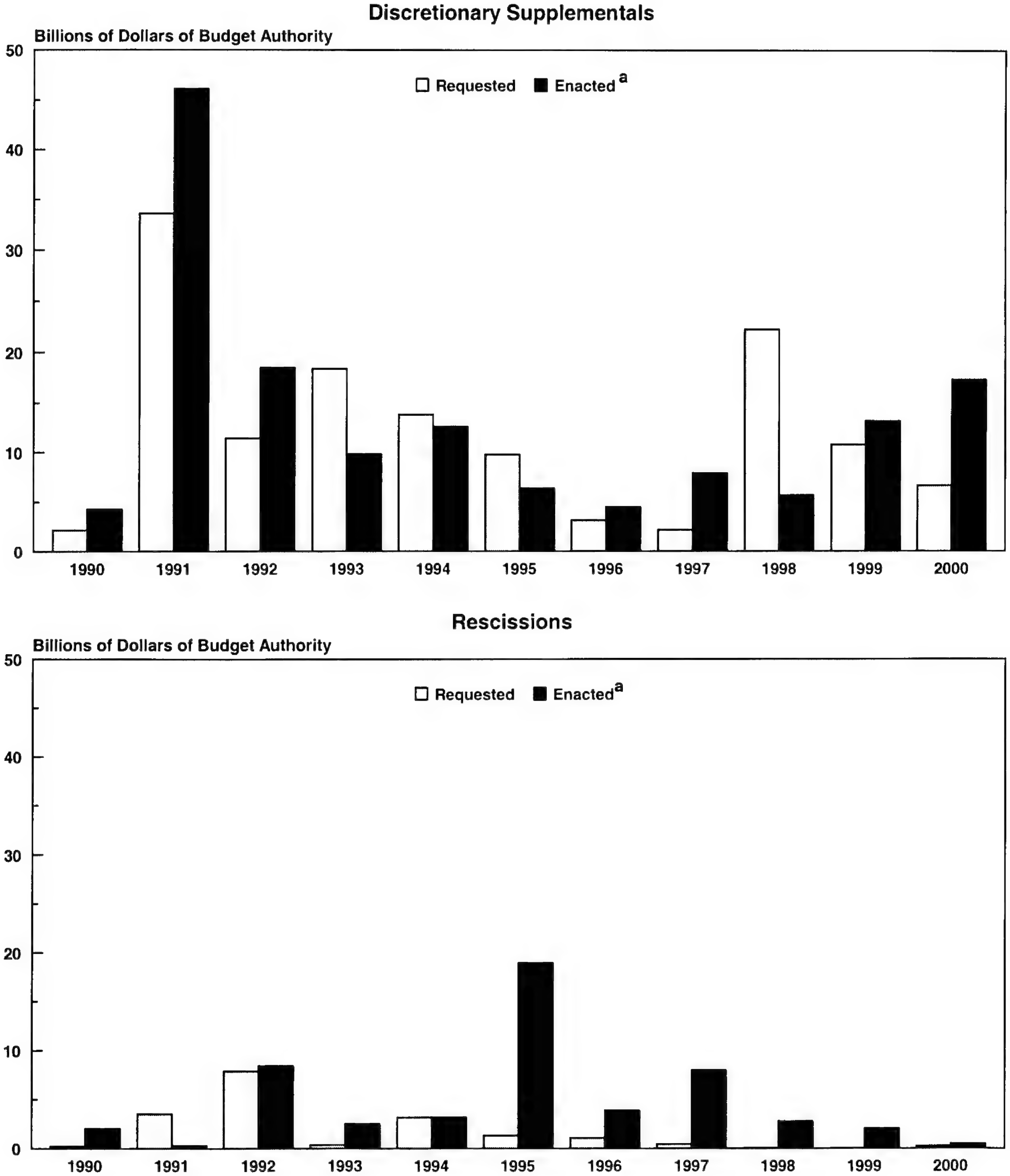
In the 1990s, programs were not necessarily reauthorized in a timely manner. But the House of Representatives began to address unauthorized appropriations with fairly routine waivers granted by the Rules Committee to allow the appropriations to go forward. (Points of order against unauthorized appropriations are raised very infrequently in the Senate.) In 2001, for example, the Congress provided roughly $112 billion in appropriation acts for programs whose authorizations had expired.[12]

Another change during the past decade is that supplemental appropriations for the Commodity Credit Corporation (CCC) declined from a total of $37 billion in the 1980s to less than $4 billion in the 1990s. The CCC's spending—determined largely by conditions in the markets for farm commodities—is financed through borrowing from the Treasury. Authorizing legislation limits how much outstanding debt the CCC may have, so the agency uses annual appropriations to reimburse the Treasury for its previous borrowing. The drop in supplemental appropriations for the CCC in the 1990s reflected three changes: an overall reduction in the agency's spending during that decade (although falling commodity

11. Only one pay supplemental was enacted in the 1990s: an additional $5 million for pay was provided in 1990 for courts of appeals, district courts, and other judicial services. That spending was classified as mandatory.

12. Congressional Budget Office, *Unauthorized Appropriations and Expiring Authorizations* (January 2001), pp. 5-7.

Figure 2.
Discretionary Supplemental Spending and Rescissions Requested by the President Versus Those Enacted, 1990-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

a. Includes supplemental spending and rescissions initiated by the Congress as well as those requested by the President.

prices in the late 1990s helped push its spending to a record high in 2000); an increase in the CCC's borrowing authority; and other changes in procedures used to reimburse the agency for losses.

In contrast to the types of supplemental appropriations discussed above, supplementals to provide relief after natural disasters increased significantly in the 1990s. Disaster relief programs have received funding in supplementals throughout the past three decades. But in the 1990s, Presidents Bush and Clinton tended to request—and the Congress tended to provide in regular appropriations—less than what would eventually be spent in those disaster-related accounts. (Some observers say the underfunding was an effort to keep total appropriations under the BEA caps.) When a disaster or other emergency arose, the Congress enacted supplemental appropriations during the fiscal year, usually at the request of the President. That supplemental funding was designated emergency spending and was therefore not counted under the discretionary spending caps. Such funding was provided most often to the Federal Emergency Management Agency, the Small Business Administration, Forest Service firefighting, and other disaster-related accounts.

Various legislative proposals were introduced during the 1990s to address the underfunding of disaster-related programs. One such proposal would have required that each of those programs be funded at its five-year or 10-year average, with any amounts above those averages to be funded from a budgeted emergency reserve fund. That reserve would itself be funded at the five-year or 10-year average of all emergency spending (excluding that for Operations Desert Storm and Desert Shield) since the passage of the Budget Enforcement Act. None of those proposals became law, however.

Distribution of Supplementals and Rescissions in the 1990s

Compared with earlier decades, the composition of supplemental appropriations changed markedly in the 1990s. During the 1970s and 1980s, discretionary programs received one-third to one-half of total supplemental spending for the decade. But in the 1990s, discretionary spending accounted for 91 percent of supplemental appropriations (net of rescissions).

Discretionary Spending

Because levels of discretionary spending are controlled directly by the Congress in the annual appropriation process, many of the issues raised by supplemental appropriations apply only to discretionary spending. Those issues include whether supplemental spending fits within the levels of the annual Congressional budget resolution, whether that spending fits within the discretionary caps that were in place for nine of the 10 years of the 1990s, and the extent to which offsetting rescissions (which were required for all nonemergency supplementals through the decade) actually offset the supplemental spending they accompanied.

Of the $129 billion in discretionary supplemental appropriations enacted in the 1990s, more than three-quarters fell under the control of two of the 13 appropriations subcommittees: the Subcommittee on Defense and the Subcommittee on the Department of Veterans Affairs, the Department of Housing and Urban Development, and Independent Agencies. Likewise, almost two-thirds of the $51 billion in discretionary rescissions during the decade fell within the purview of those two subcommittees. (For a breakdown of discretionary supplementals and rescissions by subcommittee and agency, see Tables 3, 4, and 5.)

Although data for the entire past three decades are not available, supplemental spending in the 1980s and 1990s can be broken down by the categories commonly used in the early years of the BEA—defense, international, and domestic discretionary spending. Figure 3 on page 17 shows discretionary supplementals (excluding rescissions) as a percentage of discretionary budget authority, split into those three categories. The discussion that follows provides more detail about spending for each of those categories in the 1990s.

Defense. Sixty percent of discretionary supplemental spending during the 1990s, or just under $77.1 billion, went to defense programs. Of that amount, an

Table 3.
Discretionary Supplemental Spending in the 1990s
(By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
By Appropriations Subcommittee											
Agriculture and Rural Development	128	69	2,155	1,694	400	14	157	314	175	701	5,807
Commerce, Justice, State, and the Judiciary	692	157	1,082	764	1,717	187	126	65	-30	467	5,227
Defense	2,034	43,579	9,122	2,920	1,257	2,711	999	1,921	2,835	8,582	75,960
District of Columbia	0	100	0	0	0	0	0	0	0	0	100
Energy and Water Development	75	648	46	205	70	0	189	592	110	2	1,937
Foreign Operations	895	-194	0	630	149	`275	318	0	0	1,644	3,717
Interior	29	0	164	92	226	-33	8	404	322	68	1,280
Labor, Health and Human Services, and Education	277	265	713	755	265	0	0	358	11	130	2,774
Legislative Branch	2	0	0	0	1	0	0	39	28	10	80
Military Construction	10	0	453	140	0	0	38	6	26	506	1,179
Transportation	0	0	146	380	1,758	-82	682	704	338	204	4,130
Treasury, Postal Service, and General Government	6	0	58	5	552	146	-337	7	57	38	532
Veterans, Housing, and Independent Agencies	148	256	4,585	2,259	6,260	3,189	2,332	3,550	1,855	900	25,334
Unassigned	0	1,223	0	0	0	0	0	0	0	0	1,223
Total	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	129,280
By Agency											
Legislative Branch	2	0	0	0	1	0	0	39	28	10	80
Judicial Branch	21	83	31	61	0	16	0	0	0	1	213
Department of Agriculture	137	69	2,155	1,695	600	-19	245	383	236	706	6,207
Department of Commerce	123	8	167	210	45	50	26	63	0	317	1,009
Department of Defense (Military)	2,044	43,579	9,575	3,060	1,257	2,683	1,037	1,927	2,830	9,081	77,073
Department of Education	12	8	106	441	195	0	0	102	0	0	864
Department of Energy	0	623	0	0	0	0	-212	0	208	0	619
Department of Health and Human Services	269	257	107	6	10	0	0	19	11	101	780
Department of Housing and Urban Development	2	545	459	465	1,518	222	50	254	250	-230	3,535
Department of the Interior	20	25	164	118	26	0	161	339	61	64	978
Department of Justice	185	2	57	183	20	113	0	0	0	80	640
Department of Labor	10	0	500	311	10	0	0	0	0	0	831
Department of State	420	1,078	86	0	700	0	0	0	12	527	2,823
Department of Transportation	1	20	146	432	1,583	-54	682	674	297	207	3,988
Department of the Treasury	0	0	54	15	0	55	-5	2	57	5	183
Department of Veterans Affairs	94	25	100	0	68	0	0	0	0	0	287
Corps of Engineers	75	0	46	175	70	0	165	585	105	0	1,221
Other Defense (Civil programs)	1	0	57	0	0	0	0	0	0	0	58
Environmental Protection Agency	2	0	0	37	0	0	0	0	0	0	39
Executive Office of the President	-16	0	0	6	553	12	3	0	0	1	559
Federal Emergency Management Agency	53	0	3,968	1,735	4,731	3,282	2,282	3,300	1,605	1,130	22,086
General Services Administration	0	0	4	-18	0	66	0	0	0	2	54
International Assistance Programs	785	-337	0	630	132	275	318	0	25	1,177	3,005
National Aeronautics and Space Administration	-1	0	0	20	166	-365	0	-4	0	0	-184
Small Business Administration	0	0	740	245	981	0	100	0	0	0	2,066
Other Independent Agencies	57	118	2	17	-11	71	0	37	6	77	374
Allowances	0	0	0	0	0	0	-340	240	-4	-4	-108
Total	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	129,280

SOURCE: Congressional Budget Office.

Table 4.
Discretionary Rescissions in the 1990s (By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
By Appropriations Subcommittee											
Agriculture and Rural Development	0	0	-15	-150	-205	-118	-15	0	-15	0	-518
Commerce, Justice, State, and the Judiciary	0	-32	-25	-510	-60	-536	-237	-19	0	-290	-1,709
Defense	-1,776	0	-7,099	-974	-252	-2,310	-1,976	-1,733	0	0	-16,120
District of Columbia	0	0	0	0	0	0	0	0	0	0	0
Energy and Water Development	0	0	-5	0	-301	-450	-25	-22	0	0	-803
Foreign Operations	0	0	-155	0	-249	-303	-45	0	0	-30	-782
Interior	-15	0	-28	-8	-20	-281	-95	-28	-10	-7	-492
Labor, Health and Human Services, and Education	0	0	-23	-325	-52	-2,857	-449	-700	-11	-32	-4,449
Legislative Branch	0	0	-40	0	-7	-40	-68	-5	0	-4	-164
Military Construction	-254	0	-137	-133	-603	-102	-80	-195	0	-31	-1,535
Transportation	0	0	-10	-268	-866	-2,745	-777	-1,622	-302	-10	-6,600
Treasury, Postal Service, and General Government	0	0	-17	-41	-140	-711	-24	-6	-41	-15	-995
Veterans, Housing, and Independent Agencies	0	-299	-879	-90	-404	-8,487	-53	-3,650	-2,347	-350	-16,559
Total	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-769	-50,726
By Agency											
Legislative Branch	0	0	-40	0	-7	-40	-68	-5	0	-4	-164
Judicial Branch	0	-8	0	0	-3	-16	0	0	0	0	-27
Department of Agriculture	0	0	-34	-150	-205	-122	0	0	-16	0	-527
Department of Commerce	0	-24	-10	-3	-35	-241	-75	-7	0	0	-395
Department of Defense (Military)	-2,030	0	-7,235	-1,107	-855	-2,412	-2,070	-1,928	0	-31	-17,668
Department of Education	0	0	-2	0	-9	-658	-53	0	0	-7	-729
Department of Energy	0	0	-4	0	-149	-407	-50	-50	0	0	-660
Department of Health and Human Services	0	0	-21	0	-39	-505	-329	-700	-11	-3	-1,608
Department of Housing and Urban Development	0	-299	-848	-56	-242	-6,462	0	-3,650	-2,347	-350	-14,254
Department of the Interior	0	0	-9	-5	-34	-140	-30	0	-10	-7	-235
Department of Justice	0	0	-4	-180	0	-102	-65	-10	0	0	-361
Department of Labor	0	0	0	-50	-4	-1,652	0	0	0	-22	-1,728
Department of State	0	0	-6	0	-10	-51	-65	0	0	-20	-152
Department of Transportation	0	0	-10	-320	-866	-2,719	-762	-1,622	-303	-10	-6,612
Department of the Treasury	0	0	-16	-10	-22	-14	0	0	-40	-5	-107
Department of Veterans Affairs	0	0	0	0	0	-81	0	0	0	0	-81
Corps of Engineers	0	0	-1	0	-122	-70	0	0	0	0	-193
Other Defense (Civil programs)	0	0	0	0	0	0	0	0	0	0	0
Environmental Protection Agency	0	0	-24	-6	-22	-1,285	0	0	0	0	-1,337
Executive Office of the President	-15	0	-1	-1	0	0	0	0	0	-10	-27
Federal Emergency Management Agency	0	0	0	0	-2	0	0	0	0	0	-2
General Services Administration	0	0	0	-31	-134	-631	-3	-6	0	0	-805
International Assistance Programs	0	0	-155	0	-249	-300	0	0	0	-30	-734
National Aeronautics and Space Administration	0	0	-4	-27	-120	-204	0	0	0	0	-355
Small Business Administration	0	0	0	-83	-4	-21	0	0	0	0	-108
Other Independent Agencies	0	0	-7	-470	-16	-482	-86	-2	0	0	-1,063
Allowances	0	0	-2	0	-10	-325	-188	0	1	-270	-794
Total	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-769	-50,726

SOURCE: Congressional Budget Office.

Table 5.
Discretionary Supplemental Spending in the 1990s Net of Rescissions
(By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
By Appropriations Subcommittee											
Agriculture and Rural Development	128	69	2,140	1,544	195	-104	142	314	160	701	5,289
Commerce, Justice, State, and the Judiciary	692	125	1,057	254	1,657	-349	-111	46	-30	177	3,518
Defense	258	43,579	2,023	1,946	1,005	401	-977	188	2,835	8,582	59,840
District of Columbia	0	100	0	0	0	0	0	0	0	0	100
Energy and Water Development	75	648	41	205	-231	-450	164	570	110	2	1,134
Foreign Operations	895	-194	-155	630	-100	-28	273	0	0	1,614	2,935
Interior	14	0	136	84	206	-314	-87	376	312	61	788
Labor, Health and Human Services, and Education	277	265	690	430	213	-2,857	-449	-342	0	98	-1,675
Legislative Branch	2	0	-40	0	-6	-40	-68	34	28	6	-84
Military Construction	-244	0	316	7	-603	-102	-42	-189	26	475	-356
Transportation	0	0	136	112	892	-2,827	-95	-918	36	194	-2,470
Treasury, Postal Service, and General Government	6	0	41	-36	412	-565	-361	1	16	23	-463
Veterans, Housing, and Independent Agencies	148	-43	3,706	2,169	5,856	-5,298	2,279	-100	-492	550	8,775
Unassigned	0	1,223	0	0	0	0	0	0	0	0	1,223
Total	2,251	45,772	10,091	7,345	9,496	-12,533	668	-20	3,001	12,483	78,554
By Agency											
Legislative Branch	2	0	-40	0	-6	-40	-68	34	28	6	-84
Judicial Branch	21	75	31	61	-3	0	0	0	0	1	186
Department of Agriculture	137	69	2,121	1,545	395	-141	245	383	220	706	5,680
Department of Commerce	123	-16	157	207	10	-191	-49	56	0	317	614
Department of Defense (Military)	14	43,579	2,340	1,953	402	271	-1,033	-1	2,830	9,050	59,405
Department of Education	12	8	104	441	186	-658	-53	102	0	-7	135
Department of Energy	0	623	-4	0	-149	-407	-262	-50	208	0	-41
Department of Health and Human Services	269	257	86	6	-29	-505	-329	-681	0	98	-828
Department of Housing and Urban Development	2	246	-389	409	1,276	-6,240	50	-3,396	-2,097	-580	-10,719
Department of the Interior	20	25	155	113	-8	-140	131	339	51	57	743
Department of Justice	185	2	53	3	20	11	-65	-10	0	80	279
Department of Labor	10	0	500	261	6	-1,652	0	0	0	-22	-897
Department of State	420	1,078	80	0	690	-51	-65	0	12	507	2,671
Department of Transportation	1	20	136	112	717	-2,773	-80	-948	-6	197	-2,624
Department of the Treasury	0	0	38	5	-22	41	-5	2	17	0	76
Department of Veterans Affairs	94	25	100	0	68	-81	0	0	0	0	206
Corps of Engineers	75	0	45	175	-52	-70	165	585	105	0	1,028
Other Defense (Civil programs)	1	0	57	0	0	0	0	0	0	0	58
Environmental Protection Agency	2	0	-24	31	-22	-1,285	0	0	0	0	-1,298
Executive Office of the President	-31	0	-1	5	553	12	3	0	0	-9	532
Federal Emergency Management Agency	53	0	3,968	1,735	4,729	3,282	2,282	3,300	1,605	1,130	22,084
General Services Administration	0	0	4	-49	-134	-565	-3	-6	0	2	-751
International Assistance Programs	785	-337	-155	630	-117	-25	318	0	25	1,147	2,271
National Aeronautics and Space Administration	-1	0	-4	-7	46	-569	0	-4	0	0	-539
Small Business Administration	0	0	740	162	977	-21	100	0	0	0	1,958
Other Independent Agencies	57	118	-5	-453	-27	-411	-86	35	6	77	-689
Allowances	0	0	-2	0	-10	-325	-528	240	-3	-274	-902
Total	2,251	45,772	10,091	7,345	9,496	-12,533	668	-20	3,001	12,483	78,554

SOURCE: Congressional Budget Office.

estimated $51.4 billion was enacted to pay for Operations Desert Storm and Desert Shield in 1990 through 1992. The BEA stipulated that any funding intended for those operations in 1991 and beyond was automatically designated an emergency and not subject to the new caps on defense discretionary spending. Furthermore, over the next several years, much of the incremental cost of the operations (the cost over and above the military's regular operating expenses) was offset by burden-sharing contributions from allied nations. Those contributions (which were counted as offsetting collections) are not reflected here, but by some accounts, the federal government "broke even" on the incremental costs of the Persian Gulf War.

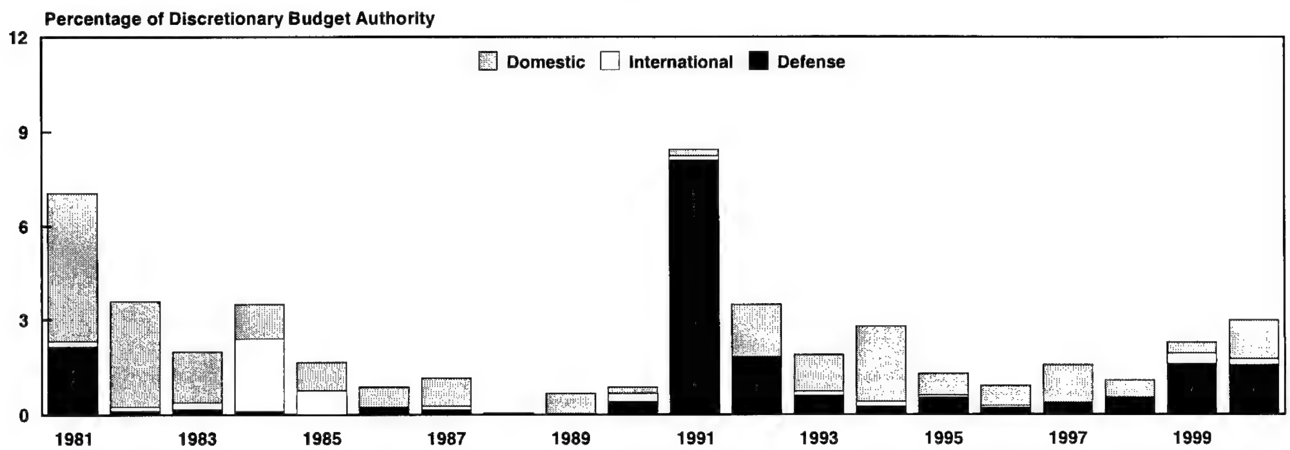
The rest of the decade's supplemental defense appropriations were intended primarily to bolster defense readiness and pay for peacekeeping missions, most notably in Bosnia and Kosovo. Such supplementals reached a peak of $9.1 billion in 1999 and consisted largely of appropriations to the Overseas Contingency Operations Transfer Fund to finance those peacekeeping missions.

Excluding funds for the Gulf War, defense supplementals represented 20 percent of total discretionary supplemental appropriations in the 1990s. In addition, defense spending accounted for 35 percent of the discretionary budget authority rescinded in the 10-year period.

International. Supplemental appropriations providing foreign aid and other international funding made up roughly 3 percent of discretionary supplemental spending over the 1990s. Early in the decade, those supplementals provided spending authority for the Economic Support Fund (which gives assistance to various countries), contributions to international organizations, and migration and refugee assistance in the wake of the Gulf War. In the middle of the decade, supplemental assistance was provided to the newly independent states of the former Soviet Union. The relatively large amounts of international funding enacted in 1999 were a response to Hurricane Mitch in Central America, although they also assisted migrants and refugees and provided for other contributions related to the situations in Bosnia and Kosovo.

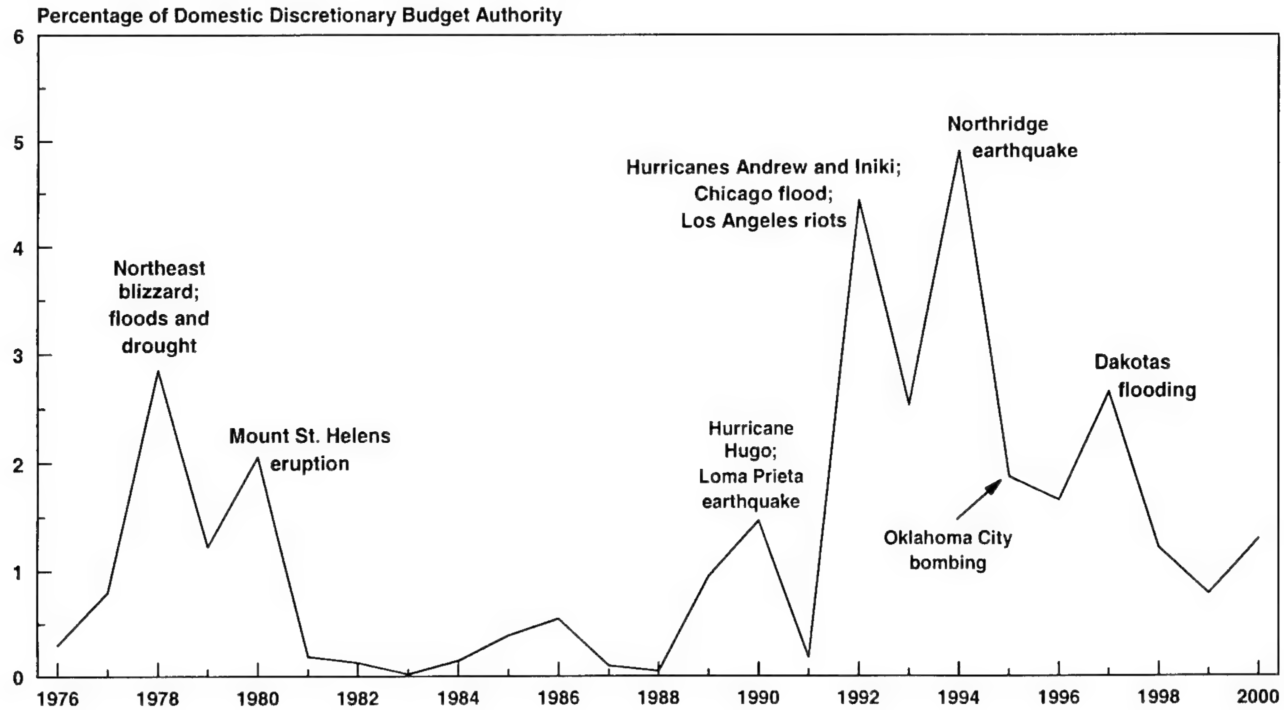
Domestic. After the Department of Defense, the second largest recipient of discretionary supplementals during the 1990s was the Federal Emergency Management Agency (FEMA). It received substantial amounts of supplemental budget authority in every year of the decade except 1991, totaling $22.1 billion. That amount primarily represents appropriations to FEMA's disaster relief account to pay for relief efforts in the wake of hurricanes, floods, earthquakes, and droughts. Other agencies that received substantial amounts of supplemental budget authority included the Departments of Agriculture, Housing and Urban Development, and Transportation.

Figure 3.
Discretionary Supplemental Spending, by Category, 1981-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

Figure 4.
Discretionary Supplemental Spending for Domestic Emergencies, 1976-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

NOTE: Numbers before 1991 reflect supplemental spending related to U.S. natural disasters. For 1991 and later years, numbers reflect supplemental spending designated as emergency spending, which includes funds for some "nonnatural" disasters.

As noted earlier, domestic supplementals enacted in response to disasters—both natural and man-made—have risen dramatically in the past decade. Data from two earlier Congressional Budget Office (CBO) analyses of supplemental spending in the 1970s and 1980s, combined with data on domestic emergency supplementals for 1991 through 2000, show the path of such spending since 1976 (see Figure 4). The data are not strictly comparable, however. Before 1991, they only show supplemental spending related to natural disasters (such as the Northeast blizzard, floods, and drought in 1978; the eruption of Mount St. Helens in 1980; and Hurricane Hugo and the earthquake in Loma Prieta, California, in 1989 and 1990). After 1991, the data include some domestic supplemental spending that is not related to natural disasters—such as for the Los Angeles riots in 1992 and the aftermath of the Oklahoma City bombing in 1995.

Mandatory Spending

The 9 percent of supplemental appropriations (net of rescissions) in the 1990s classified as mandatory represent mandatory payments to trust funds and to appropriated entitlements (programs whose payments are required under authorizing statutes but whose obligations are funded through the annual appropriation process). The Congress cannot directly control the need for mandatory supplementals. Circumstances may force a mandatory program to obligate funds beyond the amounts provided in its regular appropriation, in which case a supplemental appropriation is necessary.[13]

13. Some of those mandatory supplementals represent discretionary changes to mandatory programs made in supplemental appropriation acts. They are categorized here as mandatory spending, although they differ in concept from a "pure" mandatory supplemental, which responds to a current-law need for meeting the demand for an entitlement.

Most of the past decade's mandatory supplementals were relatively large payments to the unemployment insurance trust fund, veterans' compensation programs, and the Food Stamp program (see Table 6). A 1993 supplemental that advanced $4 billion to the unemployment insurance trust fund to pay for extended benefits for workers was the only piece of the $16.3 billion emergency stimulus package proposed by President Clinton immediately after he took office that became law.[14] Veterans' programs—most frequently compensation for veterans with service-related disabilities—received relatively large supplementals in 1990 through 1994, 1997, and 1998. Those supplementals represented cost-of-living adjustments and, in several cases, expansions of benefits.

The Food Stamp program (which is run by the Department of Agriculture) received $1.2 billion in supplemental funding in 1990, $1.5 billion in 1991, and $400 million in 1992. Those amounts generally represented underfunding in regular appropriations, stemming from unanticipated changes in participation rates and worse-than-predicted economic conditions. As the economy improved over the decade, Food Stamp supplementals became unnecessary. The Food Stamp program was also the subject of the only rescission of mandatory budget authority in the 1990s —$1.25 billion that had been appropriated to the program was rescinded in 1999.

Use of the Emergency Designation

Emergency spending and supplemental spending were closely aligned through most of the 1990s. Because the need for emergency funding generally arises quickly, such spending cannot always be included in annual budget requests. Almost 92 percent of the discretionary supplemental spending enacted between 1991—the year the Budget Enforcement Act took effect—and 1999 was designated as emergency spending.

14. The $4 billion advance was a mandatory supplemental, which CBO netted against $4 billion of offsetting receipts in its cost estimate of the supplemental bill.

Before 1999, virtually all emergency spending represented relatively modest supplemental appropriations in response to natural disasters or international crises. But in the 1999 omnibus appropriation act—a regular appropriation measure—more than $21 billion in appropriations were designated as emergencies. That number rose to $31 billion in 2000. Those amounts are not included in the totals of this report because they do not, strictly speaking, represent supplemental spending. But they represent a significant change in the way the emergency designation has been used.

By law, the emergency designation allows the discretionary spending caps to be raised for both the budget authority and outlays associated with emergency spending, in order to provide a "safety valve" in cases of emergency. Thus, supplemental appropriations designated as emergency spending do not cause a breach of the caps, do not trigger a sequestration, and are not required to be offset with rescissions (although at times the President and the Congress have been able to offset some emergency supplementals).

Some people argue that the availability of the emergency designation has caused overall federal spending to be higher than it would have been otherwise. That exception to the BEA caps makes emergency spending seem "free" even though it still adds to federal spending and affects the budget deficit or surplus. Many people also suspect that the availability of the emergency designation may have contributed to the underfunding of disaster relief programs in the annual appropriation process—perhaps to keep appropriations under the caps—and a corresponding increase in the amount of supplemental funding needed for those programs.

The term "emergency" is not defined in budget-process law. In 1991, in a report required by the Congress, OMB attempted to develop a neutral definition of "emergency requirement" by stating that such a requirement must meet five criteria:

- A necessary expenditure (an essential or vital expenditure, not one that is merely useful or beneficial);
- Sudden (coming into being quickly, not building up over time);

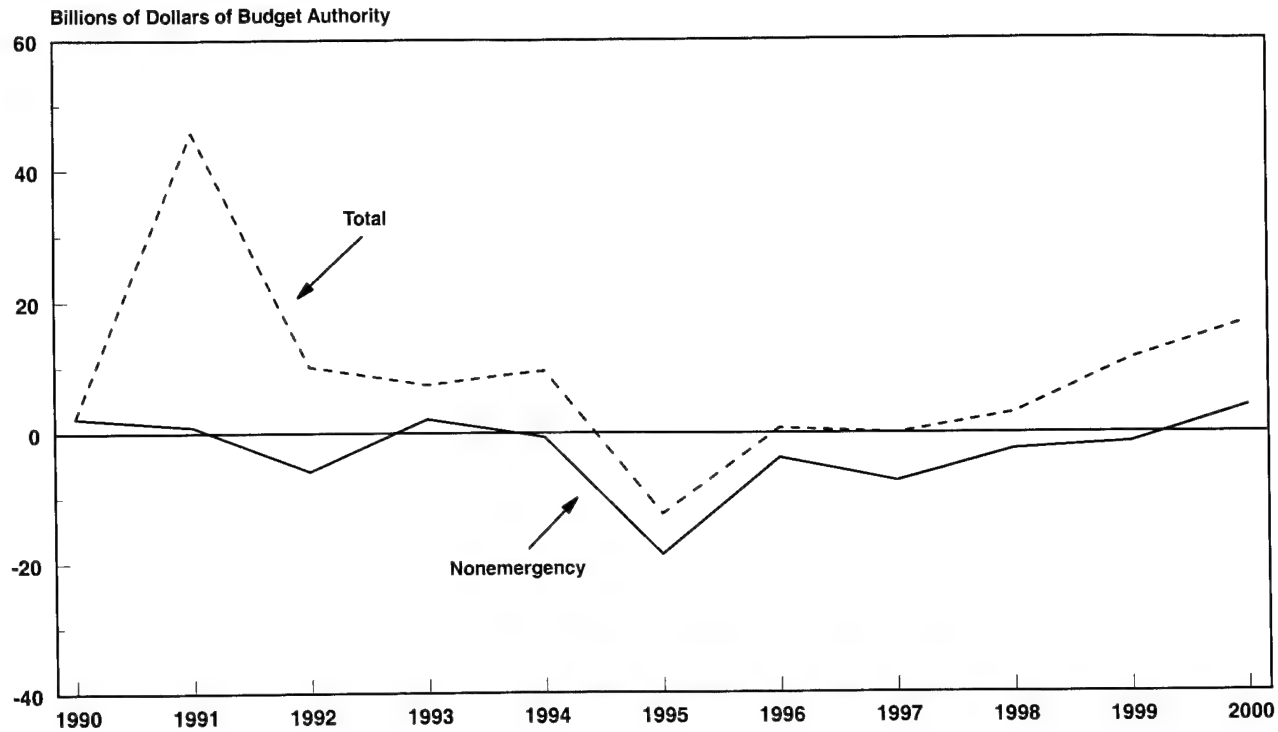
Table 6.
Mandatory Supplemental Spending in the 1990s (By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total, 1990-1999
					By Appropriations Subcommittee						
Agriculture and Rural Development	1,200	1,500	400	0	0	0	0	0	0	0	3,100
Commerce, Justice, State, and the Judiciary	8	14	0	0	0	0	0	0	0	0	22
Defense	0	0	0	0	0	0	0	0	0	0	0
District of Columbia	0	0	0	0	0	0	0	0	0	0	0
Energy and Water Development	0	0	0	0	0	0	0	0	0	0	0
Foreign Operations	0	0	0	0	0	0	0	0	0	0	0
Interior	434	0	0	0	0	0	0	0	0	0	434
Labor, Health and Human Services, and Education	1	17	238	4,040[a]	61	0	0	0	0	0	4,357
Legislative Branch	0	0	0	0	0	0	0	0	0	0	0
Military Construction	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	15	0	0	0	0	0	9	0	115	139
Treasury, Postal Service, and General Government	0	0	0	0	0	9	0	0	0	0	9
Veterans, Housing, and Independent Agencies	435	963	500	475	801	0	0	928	550	0	4,652
Total	2,078	2,509	1,138	4,515	862	9	0	937	550	115	12,713
					By Agency						
Legislative Branch	0	0	0	0	0	0	0	0	0	0	0
Judicial Branch	5	5	0	0	0	0	0	0	0	0	10
Department of Agriculture	1,457	1,500	400	0	0	0	0	0	0	0	3,357
Department of Commerce	0	0	0	0	0	0	0	0	0	0	0
Department of Defense (Military)	0	0	0	0	0	0	0	0	0	0	0
Department of Education	0	0	0	0	0	0	0	0	0	0	0
Department of Energy	0	0	0	0	0	0	0	0	0	0	0
Department of Health and Human Services	0	17	0	40	0	0	0	0	0	0	57
Department of Housing and Urban Development	0	0	0	0	0	0	0	0	0	0	0
Department of the Interior	177	0	0	0	0	0	0	0	0	0	177
Department of Justice	3	9	0	0	0	0	0	0	0	0	12
Department of Labor	1	0	238	4,000[a]	61	0	0	0	0	0	4,300
Department of State	0	0	0	0	0	0	0	0	0	0	0
Department of Transportation	0	15	0	0	0	0	0	9	0	115	139
Department of the Treasury	0	0	0	0	0	0	0	0	0	0	0
Department of Veterans Affairs	435	963	500	475	801	0	0	928	550	0	4,652
Corps of Engineers	0	0	0	0	0	0	0	0	0	0	0
Other Defense (Civil programs)	0	0	0	0	0	0	0	0	0	0	0
Environmental Protection Agency	0	0	0	0	0	0	0	0	0	0	0
Executive Office of the President	0	0	0	0	0	0	0	0	0	0	0
Federal Emergency Management Agency	0	0	0	0	0	0	0	0	0	0	0
General Services Administration	0	0	0	0	0	0	0	0	0	0	0
International Assistance Programs	0	0	0	0	0	0	0	0	0	0	0
National Aeronautics and Space Administration	0	0	0	0	0	0	0	0	0	0	0
Small Business Administration	0	0	0	0	0	0	0	0	0	0	0
Other Independent Agencies	0	0	0	0	0	9	0	0	0	0	9
Total	2,078	2,509	1,138	4,515	862	9	0	937	550	115	12,713

SOURCE: Congressional Budget Office.

a. Includes $4 billion in mandatory supplemental appropriations for unemployment insurance, which in other tables in this report is netted against the same amount of mandatory offsetting receipts.

Figure 5.
Total and Nonemergency Supplemental Spending Net of Offsetting Rescissions, 1990-2000 (By fiscal year)



SOURCE: Congressional Budget Office.

NOTE: Excludes regular appropriations designated as emergencies.

- o Urgent (a pressing and compelling need requiring immediate action);

- o Unforeseen (not predictable or seen beforehand as a coming need, although an emergency that is part of an overall level of anticipated emergencies, particularly when estimated in advance, would not be "unforeseen"); and

- o Not permanent (the need is temporary in nature).

Those criteria, with modifications, were incorporated into budget-process legislation that was considered but rejected by the House during the 106th Congress.[15] Currently, the Congress and the President are not required to adhere to that definition; under the procedures that have been in effect since 1991, emergency spending is whatever they deem it to be.[16] Critics of the emergency designation cite numerous examples of funding designated as emergency (in both supplemental and regular appropriations) that would seem to meet none of the criteria listed above.

15. H.R. 853, the Comprehensive Budget Process Reform Act of 1999, was defeated in the House on May 16, 2000, by a vote of 166 to 250.

16. For each appropriation amount—in regular or supplemental appropriations—deemed emergency spending, the Congress inserts this language: "provided that such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended." The designation could appear in appropriation or authorization language and could be enacted in response to a Presidential request or could be Congressionally initiated. Both the President and the Congress must ultimately agree to the designation.

Offsetting Rescissions in the 1990s

Since enactment of the Deficit Control Act in 1985, both the President and the Congress have sought to offset new supplemental appropriations by rescinding equal amounts of budget authority in other areas of the budget. Throughout the 1990s, those offsets were required for any new supplemental spending that was not designated an emergency, since it would most likely breach the caps on discretionary spending. The offsets were encouraged but not required for supplementals designated as emergency spending.

Throughout the decade, the Congress was generally able to offset nonemergency discretionary supplementals with rescissions (see Figure 5 on preceding page). Since 1994, it was also able to offset some emergency supplementals. Although those rescissions reduced the budgetary impact of supplemental appropriations in most years, only in 1995 did they equal or exceed new supplemental budget authority.

However, many people question whether those rescissions actually offset the supplemental spending with which they were linked. The key to answering that question is to examine the rates at which the budget authority in question would actually be spent as outlays. Coupling new supplemental budget authority with rescissions of equal amounts of budget authority that would have been spent very slowly or not at all (had it not been rescinded) does not fully offset the new supplemental. In fact, net spending can increase if the outlays associated with the new supplemental are higher than those associated with the rescissions intended to offset it. To cast more light on that issue, CBO looked at the outlays that would have resulted over one year or five years from various amounts of budget authority that were appropriated or rescinded during the 1990s.

First-Year Outlays

According to data from CBO's Scorekeeping Unit—which represent the best judgment of CBO analysts at the time a supplemental appropriation or rescission was under consideration—first-year outlays for enacted rescissions fully offset first-year outlays for enacted supplementals only in 1995 and 1996 (see Table 7). In other years, new supplemental appropriations caused a net increase in outlays.

The outlays estimated for rescinded budget authority can vary greatly: average first-year outlays for rescissions range from a high of 51 percent of rescinded budget authority in 1990 to a low of 1.2 percent of rescinded budget authority in 1998.

An often-heard criticism of budgetary practice in the 1980s and 1990s is that the rescissions intended to offset supplementals were merely write-offs of budget authority that, for a variety of reasons, would probably never have been spent. Although there may be some value in "cleaning up" budget or contract authority that is not likely to be used, many people question the use of such items as offsets, because even though the new supplemental budget authority may be offset, the new supplemental outlays are not.

Indeed, examples of rescissions with relatively low—or even zero—outlay rates abound. Most of those were for fairly small amounts, but some were sizable. For example, in 1995, more than $6.3 billion in budget authority was rescinded from two accounts of the Department of Housing and Urban Development (HUD): annual contributions for assisted housing and assistance for the renewal of expiring Section 8 subsidy contracts. The first-year outlays associated with those two rescissions were just $19.6 million, or less than 1 percent of the budget authority. Similarly, $2.0 billion in Federal Aviation Administration (FAA) grants-in-aid for airports that was rescinded in 1995 was estimated to have zero outlays the first year.

In 1998, a rescission of $2.3 billion from the HUD Section 8 reserve preservation account was estimated to have no effect on outlays. In most of the other years of the decade, relatively large rescissions of HUD budget authority were associated with very low estimated first-year outlays. In several years, additional rescissions of FAA grants-in-aid for airports as well as rescissions from the Highway Trust Fund, the General Services Administration's federal building fund, and the Environmental Protection Agency were estimated to have very low or zero first-year outlay savings.

Table 7.
Discretionary Supplemental Appropriations and Rescissions in the 1990s, by Budget Authority and Outlays (By fiscal year, in millions of dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Discretionary Supplemental Appropriations										
Budget authority	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252
Estimated outlays	2,944	34,536	4,188	1,776	3,323	1,626	399	1,169	1,030	3,716
Discretionary Rescissions										
Budget authority	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-769
Estimated outlays	-1,042	-25	-2,505	-435	-514	-1,824	-1,189	-204	-34	-147
Discretionary Supplemental Appropriations Net of Rescissions										
Budget authority	2,251	45,772	10,091	7,345	9,496	-12,533	668	-20	3,001	12,483
Estimated outlays	1,902	34,511	1,683	1,341	2,809	-198	-790	965	996	3,569
Memorandum:										
First-Year Outlay Rates (Percent)										
Supplementals	68.5	74.9	22.6	18.0	26.3	25.4	8.8	14.7	18.0	28.0
Rescissions	51.0	7.6	29.7	17.4	16.3	9.6	30.9	2.6	1.2	19.1

SOURCE: Congressional Budget Office.

Five-Year Outlays

Budget authority is often spent over multiple years—outlays that do not occur in the first year can occur later. It is possible that over time, some rescissions do eventually offset the supplemental spending with which they are linked. CBO's Scorekeeping Unit maintained data on estimated five-year outlays for 10 of the supplemental laws enacted in the 1990s that contained rescissions intended as offsets. (Rescissions were sometimes also enacted in regular appropriation laws, but those rescissions were not always intended by the appropriators to be used as offsets.)

Although the data are incomplete in some cases, it is possible to compare five-year outlays from supplementals with five-year outlays from rescissions for those 10 laws (see Table 8). Based on an examination of the individual accounts, it appears that the rescissions mentioned above as having zero outlays in the first year continued to have zero outlays for the next four years as well. The conclusion seems to be the same as for the one-year data: only in 1995 and 1996 did rescissions enacted as offsets to supplemental appropriations fully offset both budget authority and outlays over a five-year scoring period. For other years during the 1990s, rescinded budget authority was not expected to generate enough outlay savings over five years to fully offset the supplemental budget authority with which it was linked.

Table 8.
Five-Year Outlays from Selected Discretionary Supplemental Appropriation Laws and Offsetting Rescissions Since 1992 (By fiscal year, in millions of dollars)

	1992	1993	1994	1995	1996	1997	1998	1999	2000 and Beyond	Total
P.L. 102-302 (1992)										
Budget Authority	1,076	0	0	0	0	0	0	0	0	1,076
Outlays	552	426	96	4	0	0	0	0	0	1,078
P.L. 102-368 (1992)										
Budget Authority	10,226	927	0	0	0	0	0	0	0	11,153
Outlays	127	7,106	2,250	339	341	0	0	0	0	10,163
P.L. 103-50 (1993)										
Budget Authority	0	485	0	0	0	0	0	0	0	485
Outlays	0	1,125	-284	-317	-215	-109	0	0	0	200
P.L. 103-211 (1994)										
Budget Authority	0	0	7,304	30	0	0	0	0	0	7,334
Outlays	0	0	2,068	3,775	1,048	711	63	0	0	7,665
P.L. 104-6 (1995)										
Budget Authority	0	0	0	-913	-100	0	0	0	0	-1,013
Outlays	0	0	0	-52	292	-2	-129	-130	0	-21
P.L. 104-19 (1995)										
Budget Authority	0	0	0	-11,844	3,296	0	0	0	0	-8,548
Outlays	0	0	0	-160	-2,947	-738	-1,131	-4,328	0	-9,304
P.L. 104-134 (1996)										
Budget Authority	0	0	0	0	-1,847	0	0	0	0	-1,847
Outlays	0	0	0	0	-202	122	74	-24	-9	-39
P.L. 105-18 (1997)										
Budget Authority	0	0	0	0	0	-20	-84	0	0	-104
Outlays	0	0	0	0	0	965	1,985	1,298	2,444	6,692
P.L. 105-174 (1998)										
Budget Authority	0	0	0	0	0	0	2,730	0	0	2,730
Outlays	0	0	0	0	0	0	986	1,515	644	3,145
P.L. 106-31 (1999)										
Budget Authority	0	0	0	0	0	0	0	12,483	0	12,483
Outlays	0	0	0	0	0	0	0	3,677	10,906	14,583
Total										
Budget Authority	11,302	1,412	7,304	-12,727	1,349	-20	2,646	12,483	0	23,749
Outlays	679	8,657	4,130	3,589	-1,683	949	1,848	2,008	13,985	34,162

SOURCE: Congressional Budget Office.

NOTE: P.L. = public law.

Appendix

Supplemental Appropriations for Fiscal Year 2000

Although this report focuses on the fiscal 1990s (the period from October 1, 1989, through September 30, 1999), while it was being written the Congress and the President enacted more than $17 billion in supplemental appropriations for fiscal year 2000 (see Table A-1). That level (net of rescissions) was much higher than for any year of the previous decade, with the exception of 1991, whose total was swelled by funding for the Persian Gulf War.

Two appropriation laws provided supplemental funds for 2000: divisions B and C of Public Law 106-246, the regular appropriation act funding military construction for fiscal year 2001, which was enacted on July 13, 2000; and title 9 of the regular

Table A-1.
Supplemental Appropriations Net of Rescissions, 1990-2000
(By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Supplemental Appropriations											
Discretionary	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	17,387
Mandatory	2,078	2,509	1,138	515[a]	862	9	0	937	550	115	35
Total	6,374	48,612	19,662	10,359	13,517	6,416	4,512	8,897	6,277	13,367	17,422
Rescissions											
Discretionary	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-769	-470
Mandatory	0	0	0	0	0	0	0	0	0	-1,250	0
Total	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-2,019	-470
Total Supplemental Appropriations Net of Rescissions	4,329	48,281	11,229	7,860	10,358	-12,524	668	917	3,551	11,348	16,952

SOURCE: Congressional Budget Office.

a. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

Table A-2.
Supplemental Appropriations and Rescissions in Fiscal Year 2000 (In millions of dollars)

	Emergency	Non-emergency	Total
Supplemental Appropriations			
Defense Discretionary			
Budget Authority	8,834	310	9,144
Outlays	1,187	4,853	6,040
Domestic Discretionary			
Budget Authority	4,108	4,135	8,243
Outlays	891	6,939	7,830
Mandatory			
Budget Authority	0	35	35
Outlays	0	31	31
Rescissions			
Budget Authority	0	-470	-470
Outlays	0	-71	-71
Total Supplemental Appropriations Net of Rescissions			
Budget Authority	12,942	4,010	16,952
Outlays	2,078	11,752	13,830

SOURCE: Congressional Budget Office.

NOTE: This table gives supplemental funding and rescissions from Public Laws 106-246 and 106-259.

appropriation act for defense, Public Law 106-259, which was enacted on August 9, 2000. (Table A-2 shows the total budget authority and estimated outlays resulting from those two laws.)

The first law provided more than $15.1 billion in supplemental funds, of which $11.2 billion was designated as emergency spending. Most of that supplemental spending was defense funding (to pay for U.S. military operations abroad and to repair damage at overseas facilities caused by natural disasters) and disaster relief funding (in response to the forest fires in Los Alamos, New Mexico). Other emergency and nonemergency funding in P.L. 106-246 represented almost every appropriations subcommittee. The only mandatory portion was a relatively small supplemental of $35 million for payments to states for foster care and adoption assistance. That law also moved pay dates that had been shifted from 2000 to 2001 back into 2000 for military and civilian pay, veterans' compensation and pensions, and Supplemental Security Income payments. Repealing that previous shift in pay dates affected only outlays, which is why nonemergency supplemental outlays in 2000 were much higher than nonemergency budget authority.

The second law, P.L. 106-259, provided an additional $1.8 billion in emergency defense funding for 2000. Of that amount, $1.1 billion was withdrawn from 2001 appropriations for the Overseas Contingency Operations Transfer Fund and reappropriated to make it available for obligation in 2000.

In addition, the Congress and the President enacted some $470 million in rescissions for 2000—of which $322 million involved defense funding. Most of those rescissions were intended to offset newly enacted supplemental spending.

In 2000, as in much of the previous decade, the amount of supplemental appropriations and rescissions actually enacted was larger than the amount requested by the President (see Table A-3). As mentioned earlier, tracking the fate of each individual spending or rescission request is beyond the scope of this analysis. In some cases, the Congress accepts the President's full request, increases or decreases it, or rejects it outright. In other cases, the Congress initiates its own proposals. Enacted supplementals for 2000 totaled more than twice the amount requested; likewise, well over twice the amount of rescissions requested was enacted.

Table A-3.
Supplemental Appropriations and Rescissions Requested by the President Versus Those Enacted, 1990-2000 (By fiscal year, in millions of dollars of budget authority)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Supplemental Appropriations											
Discretionary											
Requested	2,169	33,630	11,488	18,416	13,879	9,796	3,158	2,188	22,301	10,860	6,724
Enacted	4,296	46,103	18,524	9,844	12,655	6,407	4,512	7,960	5,727	13,252	17,387
Mandatory											
Requested	441	0	738	575[a]	862	9	0	757	550	0	35
Enacted	2,078	2,509	1,138	515[a]	862	9	0	937	550	115	35
Total											
Requested	2,610	33,630	12,226	18,991	14,741	9,805	3,158	2,945	22,851	10,860	6,759
Enacted	6,374	48,612	19,662	10,359	13,517	6,416	4,512	8,897	6,277	13,367	17,422
Rescissions											
Requested	-227	-3,511	-7,881	-356	-3,141	-1,295	-1,053	-439	-43	-23	-229
Enacted[b]	-2,045	-331	-8,433	-2,499	-3,159	-18,940	-3,844	-7,980	-2,726	-2,019	-470

SOURCE: Congressional Budget Office.

a. Excludes $4 billion in mandatory supplemental appropriations for unemployment insurance because that additional funding was offset by the same amount of mandatory offsetting receipts.

b. Includes one unrequested mandatory rescission: $1.25 billion for the Food Stamp program in 1999.